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THE CANADIAN ANNUAL REVIEW OF PUBLIC AFFAIRS

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The Hon. W. L. Mackenzie King, c.m.g., m.a., ph.d., ll.d., m.p.
Appointed Prime Minister of Canada in 1921.

THE CANADIAN ANNUAL REVIEW OF PUBLIC AFFAIRS

BY

J. CASTELL HOPKINS, F.S.S., F.R.G.S., F.R.S.L.

1921

TWENTY-FIRST YEAR OF ISSUE

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PREFACE

In our 21st year of publication, it is, perhaps, fitting that I should express a word of appreciation to those who co-operated in the difficult task of establishing such a Work as this in a young country where devotion to material development is naturally a first consideration. A tribute is due to the successive Presidents of the Company in its first dozen years of existence —the late Senator James Mason and Maj.-Gen. Sir Henry M. Pellatt—and to the late Lord Strathcona and Mount Royal whose support and appreciation of the publication were shown at its inception and continued until he passed away. In the re-organization of the Company two years ago, a number of gentlemen assisted, to whom I should like to express a word of sincere appreciation—Mr. A. E. Ames, Mr. H. P. R. Temple, Mr. Hume Blake, K.C., Mr. R. A. Stapells, Mr. G. Frank Beer, Mr. Roy MacDougall of Toronto, Mr. Walter Woods and Lieut.-Colonel C. R. McCullough of Hamilton, Mr. Innes Hopkins of Vancouver.

Since 1901, when my first volume appeared, Canada has gone through many and varied stages of evolution. The ever-changing developments of that twenty-one years in the life of our youthful nation have been recorded in *The Canadian Annual Review* and, with a continuance of the generous and ever-growing support accorded to the Work in recent years, there should be found at the end of this Century an equally full record of Canada's growth and Canada's life in *The Canadian Annual Rreview* of that time. Annual publications in Great Britain—though not quite so elaborate in character as this—have, in more than one case, passed the century or the half-century mark; the permanent value of *The Canadian Annual Review* has often been mentioned, and it is not difficult to estimate the fundamental interest

and, may I say, value, of such a publication—if we had it—for the years 1800 to 1821, or through the days when Confederation was in the melting pot of public thought.

There were three lions in the path of publication in the years following 1900. There was, first, the obvious financial difficulty, which was overcome by generous support and vigorous effort. The second was the reasonable and widespread doubt as to whether any one writer could deal with current politics and history in an absolutely impartial manner; the answer to this doubt lay in the splendid recognition accorded the Work by Governments and Legislatures of all phases of political thought in Canada. The third was the natural scepticism of Libraries—Public, Reference, University, etc.—in this and other countries, as to the permanence of the publication; this could only be removed by time and the doubt has long since passed into a condition of world-wide Library patronage.

It may be noted, in passing, as an illustration (1) of the growing interest taken abroad in Canada's history and constitutional development and (2) of a special form of public service for this Work that, four months ago, the late Arthur Griffith, President of the Dail Eireann, Dublin, cabled the Author requesting a complete Set of the 20 volumes of *The Canadian Annual Review* for the use of his Free State Government.

May I add that some important matters relating to 1920 are dealt with in this volume—notably the West Indies Conference of that year, the Imperial Press Conference, and the Congress of Chambers of Commerce of the Empire. Consideration was unavoidably omitted from the 1920 issue.

J. CASTELL HOPKINS.

Toronto,
Aug. 15, 1922.



General The Lord Byng of Vimy
G.C.B., G.C.M.G., M.V.O., LL.D.
Appointed Governor-General of Canada in 1921.



Her Excellency the Lady Byng of Vimy

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University of Toronto, Toronto

St. Andrew's College, Toronto

University of Saskatchewan, Saskatoon

Thomas Nelson & Sons, Limited, Toronto

Lower Canada College, Montreal

Charles R. McCullough & Co., Hamilton

Houston's Standard Publications, Toronto

Heaton's Agency, Toronto

The Canadian Annual Review of Public Affairs, Toronto

Canadian Educational Institutions

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The United States and Canada	Prof. George M. Wrong	Toronto:	Abingdon Press
Canadian Bank of Commerce War Record	Bank of Commerce (Edited)	Toronto:	Southam Press
The Parish Register of Kingston, Upper Canada, 1785–1811	A. H. Young	Kingston:	British Whig
Trinity War Book	Oliver Hezzlwood	Toronto:	Oxford Press
McGill's Heroic Past	Maude E. Seymour Abbott	Montreal:	McGill University
History of the Canadian Bank of Commerce, Vol. I	Victor Ross	Toronto:	Oxford Press
McGill and its Story	Cyrus MacMillan	Toronto:	S. B. Gundy
University of Toronto, Roll of Service, 1914–18	G. Oswald Smith	Toronto:	U. of T. Press
A History of English Canadian Literature to Confederation	Ray Palmer Baker	Cambridge:	Harvard Press
Historical Statistical Survey of Education in Canada	Dominion Bureau of Statistics	Ottawa:	King's Printer
Policing the Plains	Rev. R. G. MacBeth	Toronto:	Musson
Letters from the Front; Being a Record of the Part Played by Officers of the Canadian Bank of Commerce in the Great War 1914–1919	(Ed.) Charles Lyons, W. S. Duthie	Toronto:	C. B. of C.
15th Report of the Bureau of Archives of Ontario	Alexander Fraser (Edited)	Toronto:	King's Printer
Mélanges Historiques: Études Epaises et Inedites. Vol. 7	(Compiled) Gérard Malchelosse	Montreal:	G. Ducharme
Vers l' émancipation (Premiere Periode)	L'Abbé Lionel Groulx	Montreal:	l'Action Francaise
A History of the Organization, Development and Services of the Military and Naval Forces of Canada, from the Peace of Paris in 1763 to the present time. Vol. III	(Edited) Historical Section of General Staff	Ottawa	King's Printer
The War of the American Revolution: The Province of Quebec under the Administration of Frederick Haldimand 1778-84..	Historical Section of General Staff	Ottawa:	King's Printer
Papers and Addresses	Kent Historical Society	Chatham:	The Society
The Canadian Annual Review of Public Affairs 1920	J. Castell Hopkins	Toronto:	Canadian Review Co.
Reminiscences of a Raconteur	George H. Ham	Toronto:	Hodder-Stoughton
Le Sang Francais	A. H. DeTremaudan	Winnipeg:	La Libre
Knights Errant of the Wilderness..	Morden H. Long	Toronto:	Macmillan
History of the Post Office in B.N. A., 1639–1870	William Smith	Toronto:	Macmillan
The Nova Scotia Historical Society.	20th Vol.; Collections	Halifax	The Society
Canada in the Great World War....	J. S. B. MacPherson and others..	Toronto:	United Publishers
Cours d'Histoire du Canada, Tome II	Hon. Thomas Chapais	Quebec:	Librairie Garneau
Acadie: Reconstitution d'un chapitre perdu de l'histoire d'Amerique	Edouard Richard	Quebec:	J. A. K. Laflamme
Inventaire des insinuations du conseil souverain de la nouvelle France	P. G. Roy	Beauceville:	L'Eclaireui Linutee
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Beauharnois	Le Pére Leduc	Ottawa:	Imprimerie d'Ottawa
La Gaspésie en 1888	Auguste Bechard	Quebec:	l'Imprimerie Nationale
Le droit paroissail	Chanoine C. R. Guimont	Montreal:	L'Action Francaise
La paroisse de Saint Nicholas: La famille Paquet et les familles alliees	Hormisdas Magnan	Quebec:	Privately printed
University of Toronto Roll of Service	(Edited) G. O. Smith	Toronto:	U. of T. Press
The Farmers in Politics	William Irvine	Toronto:	McClelland & Stewart
The Challenge of Agriculture	Melville H. Staples	Toronto:	Morang
Occupations for Trained Women in Canada	Alice Vincent Massey	Toronto:	Dent & Sons
Canada at the Cross Roads	Agnes C. Laut	Toronto:	Macmillan
The Fur Trade of America	Agnes C. Laut	Toronto:	Macmillan
A Study in Canadian Immigration	Prof. W. G. Smith	Toronto:	Ryerson Press

Rural Organization	Prof. Walter Burr	Toronto:	Macmillan
Correspondence of Sir John Macdonald	Sir Joseph Pope	Toronto:	S. B. Gundy
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Barriers	Lady Byng of Vimy	Toronto:	McClelland
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Moonshine	Theodore Goodrige Roberts	Toronto:	Hodder-Stoughton
Jess of the Rebel Trail	H. A. Cody	Toronto:	McClelland
Miriam of Queens'	Lillian Vaux MacKinnon	Toronto:	U.C. Tract Society
Blue Pete	Luke Allan (W. Lacey Amy)	Toronto:	McClelland
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The Canadian Coat of Arms
Approved by Proclamation of His Majesty The King—Nov. 21, 1921.

THE CANADIAN ANNUAL REVIEW OF PUBLIC AFFAIRS

FINANCIAL CONDITIONS OF 1921.

The World Situation; Problems and Progress of Reconstruction.

The clouds of depression hanging over Canada at the beginning of 1921 and throughout the year showed signs of breaking at its close; deflation in the Dominion, as in the United States, had nearly reached its level and there were indications that the worst stages of reconstruction in North America had been passed. To some extent, however, the situation still turned upon conditions in Europe and the East—conditions of lessening but still powerful world-unrest, of difficult international relationships, of racial strife within national or Empire boundaries, of bitter Socialistic distrust, of Bolshevist class-warfare and hatreds, of an ignorant proletariat unwilling to trust the educated and experienced classes to lead it out of the financial, industrial and productive quagmires left as the aftermath of war.

Canada, like the United States, was vitally concerned in these conditions. Its markets were affected, the prices of its products were involved, the stability of its finances were dependent to some extent upon an intricate world-system which had not as yet found complete re-organization possible. Close relationship with Great Britain and the countries of the Empire had given its financial leaders and its people, however, a naturally wider outlook than those of the United States; they were quick to recognize the import and possible value of such developments as the Washington Conference—as in the case of British Empire Conferences amidst other and older conditions—in stabilizing finance, unifying thought and action, pacifying prejudices, modifying unrest and suspicion. Hence, during 1921, a growing regret expressed in Canada that the United States had not allied itself with Great Britain in the latter's policy of assisting and hastening European reconstruction; a ready recognition, at the same time, of American difficulties in this connection—

traditional and racial and the result of a century of national isolation and of tremendous internal development.

Canadians understood to some extent the problems of Europe through association with the problems of Empire. They appreciated during 1921 something of Great Britain's huge task in confronting the tragedy of Ireland and the racial nationalism of South Africa; the enormous problem of internal racialism in India—which touched more races and embryo nations than Europe and Russia combined; the Oriental complications of Palestine and Mesopotamia and Persia; the revolutionary troubles in Egypt which constituted a menace to the British and world-route to India and a fire-brand ready to be thrown into the quiet but always volcanic masses of the Soudan and Northern Africa. As a matter of fact, the torches of flaming unrest waived by a Hertzog, a Gandhi, a Zaghlul, by many a neophyte of these prophets of discontent in other countries, and by world-wide disciples of Karl Marx or Lenine, had a direct effect upon the general stabilization of finance, the economic reconstruction of the world, the well-being of Canada, the recovery of Great Britain or the condition of the United States.

The discouraging, doubtful or depressing developments of the year were the absence of any active, aggressive evidences of business recovery; the decreasing volume of trade in most countries and in the greater lines of industry—illustrated, notably, in iron and steel conditions; the widespread unemployment running, at one time in the year, to 5,735,000 in the United States, to 2,171,000 in Great Britain, and to hundreds of thousands in new countries like Canada or Australia; the tremendous fall of prices in agricultural products and the deflation of the farmer at a more rapid rate than the merchant or wholesaler; the failure to fully return to a common level of values where the farmer could exchange his products for the goods he required at something like a pre-war ratio; the ever-growing volume of depreciated currency being issued in Germany, Russia and Poland with its inevitable result of further and more chaotic financial conditions. There was, also, the continued increase of national budgets in some European countries with its corollary of increased debt and taxation; the ever-pressing burden upon the world of National Debts estimated in 1921 at a total of $382,634,000,000 as compared with $43,362,000,000 in 1913*; continued difficulties in the United States with the Railways and, during most of the year, as to the National lines in Canada; the persistent decline of American and Canadian export trade and consequent depression in many industries and interests; continued and inevitable demoralization of exchange rates in the countries of a great part of Europe. As against these depressing conditions or tendencies there were various fundamental matters in-

*Note.—Compiled and reduced to dollar currency by The National City Bank of New York.

dicating improvement and warranting hopefulness. They may be summarized as follows:

1. The practical completion in the United States and Great Britain, in Canada and the British Dominions generally, of liquidation in trade and industry with cessation of the heavy fall in prices which accompanied reconstruction—a fall of 40 per cent. in a year and a half in Great Britain and corresponding, though not exactly similar, reductions in the other countries specified.

2. In the United States commodity prices struck their lowest level in the midsummer of 1921 and remained fairly steady during the rest of the year. With the stabilization of prices came that steadying of conditions which, in all past experience, had preceded a revival in trade. The farmers could fear nothing lower in the price of their products; any change would be for the better.

3. The attitude of Labour was proving most satisfactory in Canada with, at the close of the year, an absolute minimum of trouble; while unemployment was considerable, it was not more than in the preceding winter and, in Great Britain and the United States, the total was lessening with strikes decreasing in number and in importance; everywhere in these pivotal countries of the world the Bolshevistic spirit of 1919 was clearly losing its grip and unrest almost visibly subsiding.

4. Following the low prices of agricultural products came the beneficial corollary of reduced costs in production and the enhanced chances of holding and increasing an export trade in these products.

5. As a result of persistent economy and reduction in operating expenses, of a lower wage rate and careful management, the Railways of Canada showed an improving condition at the close of the year; in the United States anticipated insolvencies had been averted and in both countries the decks had been cleared for a possible revival in traffic and larger net receipts. In Great Britain the Railway situation was greatly improved; in Germany the Railways reached an efficiency 65 per cent. of pre-war conditions and, under the management of General Groener, were being rapidly shifted from State control to that of local Railway Councils.

6. The depression of internal trade in Canada and the United States encouraged a wider and saner view of exporting conditions and the question of long or doubtful foreign credits. To Canada the Roumanian and Greek experiments proved a living lesson in trade economics. The decrease in the excess of United States Exports to Europe over its Imports continued and clearly marked an approximation to more normal conditions. In the calendar year 1919, the excess of Imports which Europe had in some way to meet or pay was 3,720 millions, in 1920 it was 2,642 millions, in 1921 it fell to 1,437 millions.

Canadian trade passed out of the abnormal condition of preceding years and its condition of excessive Imports changed into one of equality; the average $400,000,000 excess of Imports in 1916-19 became in 1921 a small balance on the Export side. Better conditions in British finance and the partial economic recovery of France and Italy; the Labour adjustments in Great Britain and splendid activities of the French and Belgian workingmen, were obvious and potent factors in this change.

7. Exchange rates in New York at the close of the year were improving steadily. English exchange on Dec. 31, 1921, stood at 86·6% of par; on Dec. 31, 1920, the ratio was 72·8 of par. Similarly Canadian exchange had risen in New York from 85·7 to 95·1 per cent. of par. In the United States, Bank loans and money rates reached their lowest level and this was considered by financial writers to be a good sign; in Canada money became easier at the close of the year and Canadian bonds found a ready market at home and in the United States with an upward tendency in price.

8. The improved international and political situation was an obvious fact at the close of 1921. The Washington Conference had stabilized the

relations of Britain and the United States and made possible a better adjustment of their financial relations; the partial settlement of the Irish question helped to this end and made political conditions in England brighter and easier; the Prince of Wales' visit to India did much to check the current of somewhat inflated and bombastically described disaffection in that home of a vast population; the elections in the United States and Canada and South Africa steadied the political situation in those countries. These and other things were commencing to produce confidence; with financial confidence, it was hoped, would come enhanced business credit and trade expansion .

9. Of vital importance was the steady, continuous lowering of the war-scale of wages—paving the way for revival of industrial business and agricultural prosperity. Deflation in Agriculture, in Manufacturers' prices, in transport rates, in Merchants' goods—the last a very slow and halting process—were finally followed by this essential element of wage reduction.

One of the most important influences for world welfare in 1921 was the decrease in paper currency and increase of gold reserves in the more solvent nations of the world. The process could not, of course, equal the boundless issue of almost worthless money by Germany, Russia, Poland, Roumania and Austria, but it indicated that the great nations upon which the world's prosperity in the near future would turn were doing more than merely retaining their stability. The countries which decreased their paper currency between 1919 and 1921 were the United States (414 millions), Great Britain (17 millions), France (126 millions); Switzerland, Norway, Egypt, Japan, Denmark, Netherlands, Sweden and Canada in small amounts to a total for all of $317,000,000; their increase in gold reserves was $1,183,000,000 and in this condition the United States stood for about two-thirds.

Of the two countries with which Canada was most concerned the United Kingdom, between 1914 and 1921, increased its paper currency from 140 to 2,115 million dollars, and its gold reserves from 195 to 764 millions; the figures for the United States rose from 1,056 to 3,637 millions in paper currency and from 1,023 to 2,944 millions in gold reserves; Canada itself increased from 210 millions in paper currency to 447 millions and from 155 millions in gold reserves to 190. But the essential element of interest was the fact that between 1919 and 1921 the various countries specified had ceased the process of creating larger supplies of paper money, that the opposite process had commenced, and that accumulations of gold were increasing in countries other than the United States.

Upon this problem of gold there turned much of the question of reconstruction—of whether it was to be slow or rapid. The pouring of gold into the United States after the war to help in settling trade and other balances continued, until in 1921 that country held 40 per cent. of the gold of the world—about $3,000,000,000 chiefly in National and Bank reserves—compared with the 23 per cent. which it held in 1913. Such a condition would, in

itself, disturb the financial equilibrium of the world besides being an evidence of the general disturbance already existing. Much of this gold had filtered through European countries from Russia which had been, by this time, almost stripped of its gold to pay for food and necessaries—in lieu of the credit which Communistic fantasies and violence had destroyed; some of it had come from India where the unusual experience of an unfavourable trade balance was being slowly overcome; much, also, had come from South Africa direct, instead of being distributed in Europe through London for the normal purpose of gold coinage and industrial use.

Early in 1921 the United States held gold reserves totalling $2,529,571,000 compared with $691,514,000 in 1913; the United Kingdom had, also, increased its holdings from $170,-245,000 in 1913 to $763,350,000 in 1921* According to the U. S. Treasury at Washington the general stock of gold in the United States on Jan. 1st, 1920, was $2.787,714,306, on the same date in 1921 it was $2,784,834,427, and at the end of the year it was $3,-656,988,551; meanwhile the money in circulation had increased from $851,025,400 on Jan. 1st, 1921, to $1,094,542,032 at the close of the year.

Meanwhile, the United States production of gold had steadily decreased since 1915, when it totalled $101,036,000, to 1920 when it was $51,098,000. The British Empire remained the largest producer in the world with a total of $229,671,000 in 1920 compared with $266,154,000 in 1914.† South Africa and Australia and India all showed reductions while Canada alone had an increase. As the inflation rose and fell, gold production almost uniformly decreased. The immense gold holdings of the United States undoubtedly checked the trade of that country, they constituted a form of national indigestion and the absence of this gold from circulation was a clear indication of continued stress and strain in Europe. United States Loans or Credits abroad would have withdrawn some of the gold from America and, at the same time, have strengthened weak European currencies and promoted increased trade and international prosperity. This process, and signs of sanity in Russia, would be the final proofs of returning prosperity.

Such, briefly, is an abstract of the world financial situation in 1921. There was distinct improvement in the countries that directly concerned Canada; there still was unrest and financial difficulty everywhere but with signs of betterment in other countries indirectly involving Canadian interests—as India, Australia, etc.; there was no clear evidence of improvement in German finance but there was in its trade condition and even in Russia, the willingness to abandon chaotic Communism for some modi-

*Note—U. S. Federal Reserve *Bulletin* (Official) June, 1921.

†Note—Estimate of the London *Statist*, Feb. 19, 1921.

fied form of Socialism and to discuss matters in a European Conference was a hopeful sign. With these general conditions and the Irish settlement, the Washington Peace treaties, the improvement in Exchange, the plans for an International Conference at Genoa, there were continental conditions of a character which seemed to warrant an optimistic feeling at the close of 1921.

There was, in both Canada and the United States, a distinct betterment in the Labour situation, and fewer strikes, a lower cost of living and of credit; there was a reduction of Bank loans and a steady liquidation of the "frozen" liabilities which a tie-up in business always creates; there were improving stock and bond prices, better financial aid to farmers, increased economy on the part of Governments and plans for reduced taxation, a gradual betterment in certain lines of industry. There was an inevitable and large increase in Failures in the United States and Canada—the former country showing a total of $617,774,364 in 1921 against $295,121,805 in 1920 and Canada 58 millions as compared with 18 millions in 1920. But this was an obvious part of readjustment and reconstruction; if it proved anything specific it was that these countries had taken their war medicine, had thrown off many of the results of inflation, and were approaching more normal conditions.

Financial Conditions in Canada During 1921.

Canadians, during the year, suffered seriously from the depression and hoped vainly for a turn in the tide until near its close. Signs of a change then were clearly visible—partly seasonal in business activities, partly international, partly the result of an approach to the normal in trade with the United States, in costs of labour and in prices of products. The worst of the deflation was over and the basic elements of Canada's prosperity remained intact. With about 5 per cent. of the world's population, it still was able to produce 18 per cent. of its oats and 11 per cent. of its wheat and its barley, 4 per cent. of its gold and its copper, 12 per cent. of its silver, about 85 per cent. of its cobalt, asbestos and nickel, 32 per cent. of its pulpwood and 20 per cent. of its lumber and fish.* It could do much more with increased immigration and, while its natural resources and riches were not boundless, they certainly were very great; lying between, and in full touch with, the financial and general interests of the two richest and greatest countries in the world, a large future development in both population and wealth was seemingly sure. But the stern aftermath of war expenditures in men and money had to be endured first; in comparision with practically all countries—not excluding the United States—Canada now suffered perhaps the least of any.

Note—Compiled by *Agricultural and Industrial Progress*, a monthly publication of the C.P.R

At the beginning of 1921 commodity prices still were grossly inflated in many directions, wages remained largely on a war-footing, the Banking position was one of contraction in credits and extreme caution in every direction, the retailer had refused, in too many cases, to admit the necessity of a loss and still was holding prices up. With the farmer, however, deflation had commenced and his crop of 1920 was worth $80,000,000 less than that of the previous year and was destined in the coming season to show a reduction of $500,000,000. He faced deflation in its worst form and to the loss in grain crops was added partial exclusion of his cattle and other products from the U. S. market. As the year passed to its close all classes shared in the position of the farmer, but not to the same drastic degree. There was a steady reduction in manufactured goods and general wholesale prices fell about 36 per cent. while, between May, 1920, and September, 1921, Labour Department Index figures showed a general fall of 356 to 232—though they still remained far above the pre-war level; the pulp and paper industry could not, during much of the year, market all its output and profits were curtailed while exports fell off and selling-prices only slightly decreased; the cost of living decreased—largely in foodstuffs—and the Dominion Bureau of Statistics quoted $16.84 per week in July, 1920, for a family of five persons and $11.00 for the same supplies in November, 1921.

Other prices fell and, by the close of the year, the smaller dealers and manufacturers were accepting the situation and throwing their surplus stocks upon the market. As Sir Vincent Meredith, President of the Bank of Montreal, put it on May 28: "A number of merchants and manufacturers with us, as elsewhere, have been caught with heavy stocks, largely accumulated at former excessive prices, notwithstanding that the Banks had been giving warnings of the possibilities of a precipitate decline in the prices of merchandise and commodities. These stocks will have to be liquidated, and losses, no doubt, will have to be faced before a return to normal conditions can be looked for." The ensuing record of commercial failures was more than double that of 1920; this was one of the clearest proofs that deflation had reached all classes and was, by this time, only a question of differing degree.

The *Financial Post*, Toronto, (Dec. 2, 1921) stated that "a special survey of the business situation indicates that stocks of merchandise in the hands of retail merchants are now for the most part down to normal or below. Prices, however, although they have been generally adjusted, are still regarded as being too high in the majority of communities." According to R. G. Dun & Co., the Failures of 1921 affected most largely the machinery and tools industry, lumbermen and carpenters, clothing and millinery; amongst traders, general stores, with groceries and meats—which totalled $11,909,610—clothing and furniture, dry-

goods and carpets, shoes and trunks, hats, furs and gloves were most affected. The total number of Commercial Failures was 245 and the liabilities $73,299,111, of Manufacturing failures 559 with $33,976,790, of Trading failures 1,739 with $29,886,569. With sundries the Canadian Failures of the year were 4,903 in number and the Liabilities $146,643,455 compared with 2,156 and $52,-988,602, respectively, in 1920. The external trade of the year reached a highly satisfactory point with Exports almost balancing Imports, with decreases in the importation of silks, cottons, and wool and, in lesser measure, of coal and petroleum, with a heavy reduction of the unfavourable U. S. balance. As a result of this latter condition, and despite the large sale of Canadian bonds in the United States, the Canadian dollar in New York rose from a value of 84 cents at the end of 1920 to 93⅜ cents on Dec. 20, 1921.

Many industrial Companies during the year passed or reduced their dividends but the total was not as bad—either relatively or positively—as in the United States. There were also many declines in stocks at different periods of the year and on one day (May 20) C. P. R. had a drop of 6 points. The greater stocks were not seriously or permanently affected, however, and a prominent financial journal in October asked 10 leading firms of stock-brokers in Montreal and Toronto to name the 10 best dividend-paying Canadian stocks of this period with a result which varied in detail but included the following names:

National Trust Company.
Consumers Gas Co.
Canadian Pacific Railway.
City Dairy Co.
Canadian Locomotive (P'fd).
F. N. Burt Company.
Penman's Limited.
Brompton Pulp, 8% Bonds.
King Edward Construction.
Ottawa Light, Heat and Power.
Asbestos Corporation (P'fd).
Dominion Bridge Company.
Canadian Cottons (Common).
Canada Cement (Common).
Canadian General Electric.
Dominion Textile Company.
Montreal Power Consolidated.
Shawinigan Water and Power.
Lake of the Woods (Common).
Consolidated Mining (Common).
Ogilvie Flour Mills.
Maple Leaf Milling Company.
Bell Telephone Co.
Spanish River 8% Bonds.
Fraser Companies Limited.
Laurentide Power Company.
Steel of Canada (Preferred).
Southern Canada Power (P'fd).
Winnipeg Electric (Preferred).
Winnipeg Electric (Common).
Montreal Light, Heat and Power.
Canada Permanent Mortgage.

The situation as to Bonds was important. The period of steadily rising rates for money reached its climax in 1920 and the slowing-down of business in the following year, lower costs of operation, and reduction of prices, caused in Canada, as elsewhere, obvious and large reduction in the demand for funds, continued accumulation of funds for profitable investment and the reduction of rates for lending money. This development was gradual during 1921 in Canada but effective in enhancing the price of Government and Municipal issues. A. E. Ames & Company, the well-known stock-brokers of Toronto, estimated

at the close of the year that upon outstanding obligations of this nature, totalling $3,615,000,000, the market value was $150,000,000 greater than it had been six months before. That prices and conditions were deemed favourable was apparent in the increased and large purchases of bonds by Canadians. J. W. Mitchell, of the Dominion Securities Corporation, who, in recent years, had continued the valuable yearly Bond statement initiated by E. R. Wood, President of that Company, stated the total figures for 1921 as follows:

Issue	Amount	Taken by Canada	Taken by United States	Taken by Great Britain
Government	$133,488,500	$77,082,500	$56,406,000	
Municipal	88,805,973	73,356,414	15,449,559	
Railway	101,150,000		87,000,000	$14,150,000
Public Service	15,450,000	6,200,000	9,250,000	
Miscellaneous	61,290,345	44,909,025	13,950,000	2,431,320
Total	$400,184,818	$201,547,939	$182,055,559	$16,581,320

This total compared with $318,832,081 in 1920 and $272,935,-067 in 1914. But, in the pre-war year, Great Britain took 68 per cent. of the amount and in 1921 the United States took almost 50 per cent. and Great Britain about 4 per cent. At the beginning of the War Great Britain held the bulk of Canada's securities; at the close of 1921, in bonds, stocks and other securities Canadians held $945,000,000, Britain $153,000,000, and the United States $555,000,000. Great Britain, however, had again commenced investment in Canada and its issue of new capital in the first 10 months of 1921 was £183,000,000 of which one-half went to other parts of the Empire. With Exchange again normal this process would greatly expand. In the seven years 1908-14, the Canadian public purchased its own bonds to a total of $285,644,-239; in the same term of 1915-21, Canadians purchased $2,514,-533,696. It may also be added that Provincial Governments, Municipalities and Corporations borrowed in 1920 and 1921 above the average of the years 1909-1914. The total Bond sales of 1921 were $398,975,245 as compared with $327,290,000 in 1920 and $272,935,067 in 1919; of the 1921 total $144,000,000 was sold by Provinces.

Meantime, all the contraction in business, the unemployment and the financial depression had hardly affected the Savings of the public; in October, 1920, the notice deposits in the Banks totalled $1,271,275,751, and in October, 1921, they were $1,251,-323,839. Much public money was invested in Victory Bonds and the prices of these securities ranged upwards during the year as follows: 1922—high in January 99¼, low 97 and, in December, 99·20 and 99 respectively; 1923—high in January 99, low 95½ and, in December, 99·25 and 98 respectively; 1924—high in January 97¼, low 94¼ and, in December 98·40 and 98 respectively; 1927—high in January 98¾, low 95¼ and, in December, 100·25 and 99·25 respectively; 1933—high in January 99, low 95⅛ and,

in December, 101·15 and 100·30 respectively; 1934—high in January 96⅛, low 92¼ and, in December, 98·70 and 97·60 respectively; 1937—high in January 100¼, low 97 and, in December, 103·35 and 102 respectively.*

At the end of 1921 there was in Canada a slowly-growing optimism, a gradual passing of the mental cloud of depression which always marks and often helps the financial depression, a feeling of certainty and assurance as to the future which was entirely lacking at the first of the year. There was an increase in employment, business failures were less frequent, payments were improving. On the other hand, as Sir F. Williams-Taylor pointed out in a Message to a British periodical on Dec. 31, values still were out of joint and the cost of labour still out of proportion to the purchasing power for the product of labour. President E. W. Beatty, of the C. P. R., pointed out at the same time, however, that the general policy of economy during the past year had kept the business interests in sound condition and had much reduced the cost of living: "All indications point to better commercial, financial, and industrial conditions in Canada for the coming year, particularly if the price of wheat improves as it should."

National Finance and Taxation; Sir Henry Drayton's Budget.

Government finance followed the trend of National conditions in 1921. By Mch. 31 the Customs revenue for the fiscal year had decreased from $107,429,812 in 1919-20 to $102,812,951 in 1920-21; Excise from $42,282,851 to $36,699,473 and Railway revenue (including Canals) from $43,936,862 to $38,872,833. The total, however, was not yet affected, except favourably, and the returns from War taxation, Inland revenue, Business Profits, Income and other special taxation had considerably increased, with a revenue, all-told, of $451,366,029 compared with $380,832,507 in 1919-20. Expenditures on ordinary account had, also, grown, though in lesser degree, from $340,880,668 to $357,515,278.

Sir Henry Drayton, Minister of Finance, on May 9 presented to Parliament his Budget speech dealing with the fiscal year ending Mch. 31. He referred to it as a trying one; a year of difficulty and deflation; mentioned the Luxury taxes of 1920 as imposed for the specific purpose of checking extravagant or unnecessary buying as well as of raising revenue and as being repealed in December, 1920, when the declines in commodity prices and in purchases of goods were clearly defined; described the great expansion of Canadian trade in 1919 and 1920 but pointed out that this did not necessarily involve prosperity and specified the unfavourable balance in trade with the United States as totalling for 1919-20 $295,909,672: "This large unfavourable

*Note.—Part of these figures are by courtesy of A. D. Cobban of Wood, Gundy & Co.—a Bond house of Toronto which moved into imposing new quarters in 1921.

balance, coupled with the increased invisible payments which have to be made to American holders of Canadian securities and investments, of necessity creates a heavy demand for New York exchange, resulting in a premium on New York funds. The real balance against Canada is also increased by the aggregate of the discount on Canadian money in New York, as the trade figures do not include the resultant increased cost to the Canadian purchaser." The U. S. Emergency Tariff would, he added, make this situation worse.

The total expenditure for the fiscal year 1920-21 was estimated at $533,368,077 as against $613,225,411 provided in the 1919-20 Estimates. Of the current total $362,600,000 was chargeable to Consolidated or ordinary account; special expenditures and Demobilization required $57,102,000 and Railways $96,931,-077. During the year Tax-exemption bonds of $89,228,300 had been acquired, taken off the market, and would be cancelled; after the writing-down of inactive Assets which took place in 1920 the Net Debt stood at $2,350,236,700. The Minister added this comment: "In the period 1896 to and including 1914, the net additions to the Debt totalled $77,499,417. As compared with this, during the period 1914 to date, if the writing-down of non-active assets had not taken place and if the bare War-cost be deducted but resulting current expenses arising from the War, such as for interest, pensions, etc., be nevertheless charged, the Net Debt to-day would stand at approximately $115,000,000 less than at Mch. 31, 1914." The charges to the Consolidated fund of payments made on current War account from and including the years 1914-15 to 1920-21 amounted to $553,732,120 and for new services and expenses were $30,077,580, making a total of $583,-809,700. The estimated Revenue for 1921-22 was $372,600,000 and of ordinary and capital Expenditure $378,258,101; the Railway expenditure, additional, was placed at $165,687,633 and that of Soldiers' Settlement Board, Housing Loans and Sinking funds, at $47,491,963.

The Minister stated that there would be no general revision of the Tariff; the uncertain but probable fiscal attitude of the United States toward $168,000,000 of Canadian trade, made delay advisable. Later on, when these conditions were stabilized, a careful and thorough revision of the Canadian tariff for the purpose of ensuring the proper continuance of Canadian business and employment would be essential. That did not mean following the Customs rates of the United States: "Creditor nations are not under the necessity of discharging money claims with an excess of visible exports over visible imports or by fresh borrowings." Canada had a yearly adverse balance of $180,000,-000 of interest against her before trade came into the question at all. Certain changes in Tariff detail were, however, said to be necessary and they may be summed up as follows:

1. Dropping of Business Profits Tax.
2. Elimination of the few remaining Luxury Taxes, such as that on confectionery.
3. Certain changes made to implement trade agreements with France and with the British West Indies.
4. Legislation to secure a more efficient carrying-out of the existing Dumping provisions, and to deal with the valuation on which duties were assessed.
5. An amendment relating to the valuation for customs purposes of foreign currencies. Where the rate of exchange was adverse to Canada, the value for duty would be computed at the rate of exchange existing at the date of the shipment of the goods.
6. To make stringent regulations forcing every imported article to have country of origin plainly stamped upon it.
7. Changing Excise duty of $3.00 a gallon on spirits and $2.00 additional duty under the Luxury taxes to a straight $10.00 Customs rate.
8. Excise tax of 8 to 15 cents a pack on playing cards at the time of sale by Canadian manufacturer or when taken from Custom House.
9. Excise tax of 30 cents a gallon on wines of all kinds except sparkling wines.
10. Excise tax of $3.00 per gallon on champagne and other sparkling wines when taken from Canadian manufacturer, but not when exported; Excise tax on distilled spirits of $9.00 a gallon, with rebate of 99 per cent. of duties on alcohol to hospitals for medicinal purposes; the tax on alcohol when used for patent and proprietary medicines and pharmaceutical preparations being $2.40 a gallon.
11. Increase of Tax on sales of manufacturers, wholesalers, jobbers and importers, from 1 and 2 per cent. rates on domestic transactions to 1½ and 3 per cent., respectively, and the import rates from 1½ and 3 per cent. to 2½ and 4 per cent., respectively—the exemptions being foodstuffs in their natural state, initial sales of farm produce by the farmer of his own production, and the first products of fisheries, mines and forests.
12. A $2.00 license fee for every manufacturer and business man affected by above sales and Excise tax.

The favourable view of this Budget was expressed by the Ottawa *Journal* (May 11) as follows: "It shows that during a financial period of unprecedented difficulty the Dominion's economic structure has remained unshaken; removes taxes that had become burdensome and ineffective; imposes new taxes that promise adequate revenue without undue severity; indicates that the Ministry is practising economy and, finally, reveals a future condition that may be faced without fear." The other view was amply expressed by Liberal and Agrarian speakers during the ensuing debate. The Budget was described as a mere temporary expedient pending the Elections, a covering-up of a difficult situation, a financial stop-gap and evasion of vital issues.

The Hon. W. S. Fielding, Liberal Minister of Finance in 1896-1911, replied to the Minister in a very moderate speech. He described the situation as a grave one and the continued Income tax as a necessary burden made unduly troublesome and heavy by methods of operation; deprecated any but the most moderate expenditure upon Defence; denounced the existing Tariff as

built upon the Protective principle, as un-economic in fact and application and the cause of existing national unrest; declared that the action of Canada in turning down the Reciprocity Treaty of 1911 had put the country in the wrong and left it with no right to complain of the Fordney or any other U. S. Tariff. Mr. Fielding did not deal with finance, proper, in any detail, but concluded by moving a Resolution which expressed regret that no serious proposals were presented for a revision of the Tariff, described the Government's policy as lacking in due regard for economy, urged a substantial reduction in proposed expenditure before resorting to new taxation, and continued as follows:

That, while recognizing that existing financial requirements of the Dominion demand the maintenance of a Customs tariff, the House is unable to concur in the declarations by the Government that the Tariff should be based on the principle of Protection; the Tariff is a tax, and the aim of legislation should be to make taxation as light as circumstances will permit;

That the aim of the fiscal policy of Canada should be the encouragement of industries based on the national resources of the country; the development of which may reasonably be expected to create healthy enterprises giving promise of enduring success;

That such changes should be made in the Customs duties as may be expected to reduce the cost of living, and to reduce, also, the cost of implements of production required for the efficient development of the natural resources of the Dominion;

That, while keeping this aim clearly in mind, the House recognizes that in any readjustment of the Tariff that may take place, regard must be had to existing conditions of trade, and changes made in such a manner as will cause the least possible disturbance of business.

The discussion which followed was prolonged and covered the varied subjects of economic, trade, fiscal and political character which always develop in these debates. The vote on the Fielding amendment took place on May 19 and showed 103 for the Government and 83 for the Amendment. On Dec. 21 Sir H. Drayton handed out a statement at Ottawa which briefly reviewed the financial situation. He declared that in the 8-month period from Apr. 1st to Dec. 1st, 1921, only $68,608,628 had been collected by Customs as against $124,376,063 in the same 8 months of 1920, a drop of $55,767,435; that this deficiency was more than made up through the Income tax and Business Profits tax for the period, which totalled $83,574,403, as against $28,804,649 for the same period in 1920; that notwithstanding the cancellation of the so-called Luxury taxes, and the great drop in business, Inland revenue and special taxes—largely owing to the Sales tax amendments of the past Session—showed an increase; that the actual increase of the Debt for this 8 months amounted to but $26,828,032, including capital and railway payments.

At the close of 1921 (Dec. 31) the *Canada Gazette* gave the Net Debt as $2,366,861,252 compared with $2,308,218,462 a year before; the total Receipts on account of Consolidated Fund for

the 9 months of 1921 following Mch. 31, were given as $294,270,-639 and the Expenditures on the same account as $241,553,465. The capital Expenditure in that period was stated as $12,523,905; what had become of the huge Railway expenses and requirements was not explained but, presumably, they were considered an extraneous matter. In the revenue figures Customs returns had fallen $57,000,000 and the revenue from Railways $36,000,-000; the total 9 months' revenue had fallen $50,000,000 while expenditures—Consolidated and capital—were reduced $60,000,000.

Financial incidents of the year included Sir H. Drayton's statement in the House on Apr. 27 that European countries indebted to Canada owed the Dominion on Mch. 31, 1921, over $47,000,000, as follows: Italy, $6,003,301; France $5,648,726; Belgium $6,291,225; Roumania $20,571,227 and $1,475,234; Greece $7,478,953 and $153,915 of Interest to Dec. 31, 1920. On the same day Sir Henry stated that the balance of indebtedness due by Great Britain to Canada on Mch. 31 was $144,408,746—exclusive of certain outstanding items still unadjusted. On Dec. 13 a trusted Accountant of the Department of Finance—G. J. Artz—was arrested at Ottawa charged with the theft of $33,000 worth of Securities; on the same day J. E. Rourke, Comptroller of Currency in the Department, committed suicide under the belief that he rested under suspicion; a week later the Minister issued a statement that outside Auditors had been at work for the past 9 months in an independent audit of the Department under supervision of George Edwards, C.B.E.,F.C.A., and that this had included a complete examination and verification of the public accounts, generally, and particularly of all transactions in connection with the War and Victory Loans.

It was intimated that the Auditors had completely investigated the Public Loans since 1914 and reported that all sums properly accruing to the revenue had been accounted for. Concurrently, the checking of interest payments amounting to $140,-000,000 annually, had been taking place. Payments of coupon interest on the New York loans were completely investigated and reported upon. It was this portion of the Audit which disclosed the over-payments of about $33,000 resulting in the charge of theft, mentioned above. Many other onerous elements in the work of the Department and its complicated transactions had been analyzed and the Auditors at this time were completing their work on the verification of accounts affecting the Public Debt. On Dec. 21, it may be added, Artz was sentenced to three years in the Penitentiary.

An incident of the Session was the Resolution passed by the House supporting a Government proposal for the issue of a five-cent nickel coin in Canada similar in size and style to that of the United States—except that it would be 100 per cent. nickel in composition. Another was the Hon. R. Lemieux's proposal

on Apr. 18—withdrawn after discussion—that a Finance Committee of the House should be created similar to one established in the British House of Commons, first in 1913 and later in 1917 and 1918. This Committee had as its first function the analysis and scrutiny of expenditures, and under the chairmanship of Sir Herbert Samuel it had made enormous savings for the country; the appointment of such a Standing Committee by the Canadian Government at an early period in each Session would, he claimed, make for economy and efficiency. Addressing the Bond Dealers' Association in Toronto on June 9, Sir Henry Drayton gave the following figures of Dominion and Provincial *per capita* taxation which would seem worthy of record here:

	1916	1919		1916	1919
Canada	$21.14	$35.42	Ontario	$ 5.25	$ 7.79
Prince Edward Is.	4.83	6.97	Manitoba	11.17	13.73
Nova Scotia	4.23	6.32	Saskatchewan	8.25	10.77
New Brunswick	4.33	7.04	Alberta	12.24	16.20
Quebec	4.29	5.32	British Columbia	17.69	13.76

Questions of Taxation were much discussed during the year but, burdensome as the taxes seemed, they were trifling compared with those borne by many other countries and, notably, Great Britain where, in 1918-19, official statistics showed that a taxable income totalling £1,287,278,171 realized to the Government £303,630,376 in revenue; that the taxes covered almost everybody and included almost everything in their scope—Lands and Houses, Profits from occupation of lands, income from British and Foreign Securities, Profits from Business, Professions, Employments and Weekly Wage Earnings, Salaries of Government, Corporation and Public Company officials. In Canada, during 1920, a total of $87,223,207 was collected by the Dominion Government through Income and Business Profits taxes; of this total $42,286,940 was the product of Income taxation. The allocation of this latter amount was stated by the Dominion Commissioner of Taxation as follows:

Occupation	Number Assessed	Amount Received	Per Cent.	Average per Head
Agrarians	16,652	$ 611,735	1·45	$ 36.74
Professionals	19,366	2,642,585	6·26	136.45
Employees	111,621	11,301,805	26·74	101.25
Merchants	24,483	7,689,521	18·19	314.08
Manufacturers	3,277	8,217,730	19·44	2,507.70
All Others	18,858	11,823,563	27·79	627.00

In a letter to the press on Aug. 24, and replying to strictures by the *Farmers' Sun*, the Minister of Finance stated that to Mch. 31, 1921, a total of $227,723,892 had been collected in Canada through the Income and Profits Taxes; that of this the farmers had contributed to the revenue $1,488,332; that in Ontario 187 out of every 100,000 of the rural population paid taxes, as against 4,150 out of every 100,000 of the urban population. Early in January the tentative and not always efficient embargo on the

sale of Canadian securities abroad was removed; at the same time the Roumanian Government failed to meet its interest on the Canadian loan and in June following, the British Government was asked by Sir George Perley, on behalf of Canada, to see what it could do in the matter of collecting this interest and that of the Greek Government which, also, became over-due. In January the ban on the general export of gold from Canada was continued from July 1st, when it expired, for another year; on June 27, by a judgment of Mr. Justice Audette, in the Exchequer Court, Ottawa—the King *vs.* Hon. J. E. Caron—salaries of Ministers in the Provincial Governments and indemnities of Members of Provincial Legislatures were declared liable to Income tax; in the fiscal year ending June 30, 1921, the Canadian Government exported $25,087,000 of gold to the United States.

The Business Profits and Sales Tax were largely discussed during the year. The Retail Merchants' Association advocated, through its various boards and branches, the imposition of a general Sales tax on all lines of merchandise, to be collected from the manufacturer and the importer, as the case might be, and absorbed by the retailer in the same way as all other taxes were absorbed. In Toronto on Mch. 31 a joint Conference of the Dominion Retail Merchants' Association, the Canadian Credit Men's Trust Association, the Wholesale Grocers' Association and the Canadian Manufacturers' Association—called by the Minister of Finance—discussed the situation and passed a Resolution declaring that the Business Profits tax should not be re-enacted; that the Income war-tax, as regarded corporations, should be repealed; that the Excise manufacturing tax on confectionery should be abolished; that the Sales tax should be adjusted so as to provide the additional revenue needed by the Dominion Government.

Western Agrarian opinion as to these suggestions was expressed by the *Grain Growers' Guide* on Apr. 6 as follows: "Boiled down, these proposals mean: reduce the taxation on wealth to a minimum and pile up the taxation on the consumer. What these business men are after is a system of taxation which will press as lightly as possible on business wealth and rest squarely on the shoulders of the consumer, who, if he does not happen to be able to pay it, can escape it by adjusting his life to a subsistence basis." Another proposal much discussed in the United States was a general Turnover Tax of one per cent. as a substitute for the Profits and Income Taxes. Meyer D. Rothschild of New York and some other American speakers presented the idea to Canadian Clubs, etc.; it was claimed by the U. S. Retail Dry-goods Association that present taxes in, practically, both countries took 25 cents out of the consumers' dollar while the proposed tax would not average 3 per cent. on reaching the consumer. The basic items of taxation were summarized, as follows, on gross sales or receipts:

Sales of goods, wares and merchandise sold by manufacturers and dealers.
All Rents and Royalties.
Receipts of places of Amusement and Clubs.
Sales of Real Property.
Receipts of Public Utilities.
Receipts of Interest and Commission by Banks.
Receipts of Commission by Brokers.
Receipts of Advertising Agents.
Receipts of Architects, Accountants, Lawyers and Physicians.
Receipts of Insurance Companies.
Gross Receipts from Personal services.
Hotels and Restaurants, Receipts of Barber shops and Livery men.

At the Conference mentioned above, though agreement was reached on the Resolutions by retailers and wholesalers on the one hand and manufacturers and importers on the other, they differed greatly as to interpretation. It was claimed that a Turnover Sales Tax would be cheaply and easily collected; would yield the required revenue, promptly and regularly; would bear equally in proportion on all the people; would emancipate commerce at a critical time in the nation's industrial history; and should prove the final modern system of business taxation. A questionaire sent out by the Montreal Board of Trade in this connection evoked many replies of which 90 per cent. favoured the Turnover plan. The Government, however, decided on the abolition of the Excess Profits Tax and for an increase of the existing Sales Tax on domestic goods. At Hamilton on May 10, G. H. Douglas, Chairman of the local Manufacturers' Association, urged it as the final solution of the Taxation problem; the Canadian Reconstruction Association issued a statement claiming that such a tax was under trial in France but had not realized the returns expected; Norman Lambert, speaking for the Council of Agriculture, declared in a press statement of June 25 that the existing Sales Tax was a burden upon rich and poor alike, a relic of the middle ages and modern Mexico, a poor revenue-getter and dangerous in its insidious character. In November official figures were issued from Ottawa showing that in the 17 months of its application, the Sales Tax—June, 1920, to October, 1921,—had realized a total revenue of $73,527,709. According to a Parliamentary statement on May 16 the Income Tax in the fiscal year 1920-21 had realized $46,381,806; the figures for 1918-19 were $9,343,419, and for 1919-20 $20,264,419. The Business Profits Tax in the three years realized a total of $117,956,646.

The Banks and the Country: Policy, Conditions and Appointments of the Year.

It is a question if any Banking system in the world came through the stern test of a world war and the succeeding trials of inflation and deflation with a better record than that of Canada. This may be said despite the amazing details of the Merchants Bank case. The organized effectiveness of Banking action in a national sense was obvious; the warnings and policy as to undue inflation were on record; the contraction of loans and cautious management of 1921 were well known and understood. The branch

system made adjustments more easy and uniform throughout the wide extent of the Dominion than was the case in the United States; its facilities for financially carrying the crop shipments of each succeeding year were universally recognized.

During 1921 Bank deposits, loans and discounts, call loans, all showed a decline from the previous year but, at the same time, the purchasing power of money materially increased so that the net result of the process was not oppressive. So with the decrease in circulation in its adjustment to meet the falling of commodity prices. Bank deposits payable after notice on Dec. 31, 1920, were $1,293,007,488 and at the end of 1921 were $1,240,807,-268 or the small difference of $53,000,000; obviously there was a continued popular confidence in the Banks and a financial condition not so bad as the general depression in business activities would indicate. Deposits on demand were $657,496,742 at the former date and $540,942,522 on Dec. 31, 1921, or a decrease of $116,000,000. Bank loans and discounts at home and abroad and call loans, with loans to Provincial Governments and municipalities, totalled on Dec. 31, 1920, $1,881,005,506; at the close of 1921 the figures were $1,674,858,684. A decrease of $200,000,000 in Loans and of $166,000,000 in Deposits was a good showing for Canada under current conditions and for Banking management—if not for profits.

Speaking as to this to the Canadian Bankers' Association on Nov. 11, President C. A. Bogert pointed out that: "Considering the value of the dollar now, as compared with a year ago, the savings deposits indicate a much greater surplus of actual wealth as represented by the products of labour." He added the following statement: "May I express the conviction that, when we return to an era of prosperity and confidence, it will be again demonstrated that under the Canadian banking system we have been able to cope successfully with difficulties which at present seem formidable. The Canadian Bank Act, as it at present stands, admirably meets the conditions and requirements of this country and the needs of the people. This, unfortunately, is more fully appreciated by financial experts in other countries than by many sections of the Canadian public."

At the same time what were called immediately liquid assets —specie, Dominion notes, gold reserve, Bank balances due in London and New York, Government securities and call loans abroad—increased from $811,413,792 on Dec. 31, 1920, to $826,-252,116 on Nov. 30, 1921. The difference between Assets and Liabilities of the Banks as a whole remained the same in the two years—about $275,000,000 in favour of the Assets—but there was a reduction of both Assets and Liabilities by $300,000,000. It may be added that, in the United States during the fiscal year ending June 30, 1921, the total resources of the National Banks declined from $22,196,000,000 to $19.638.000,000. Deposits during the same period decreased from $17,155,000,000 to $15,142,000,-

000. The profits of Canadian Banks in 1920 and 1921, compiled by the Toronto *Globe* at the close of the year, were as follows:

Profits	1920	1921	Profits	1920	1921
Royal	$4,253,649	$4,037,836	Molsons	$822,718	752,389
Montreal	4,033,995	3,949,796	Standard	776,310	794,369
Commerce	3,306,243	3,116,136	Hochelaga	649,739	630,902
Nova Scotia	1,925,478	2,327,422	Nationale	567,372	544,945
Dominion	1,169,703	1,188,511	Provinciale	333,882	425,647
Imperial	1,379,318	1,287,061	Home	268,895	278,556
Union	1,603,842	1,342,389	Sterling	251,346	255,976
Toronto	1,017,371	926,125	Weyburn	62,220	50,493
Hamilton	847,104	888,018	Total	$23,259,185	$22,796,571

Profits of $22,000,000 divided amongst the shareholders of 17 Banks with a total Capital and Rest of $246,000,000 was not an unreasonable percentage for unquestioned public service. The late William Moffatt, General Manager of the Imperial Bank of Canada, pointed out, on May 25, in his annual address to Shareholders, that: "If you consider the situation carefully you will see that a Bank's assistance starts at the beginning of every enterprise—farmers obtain advances to prepare their soil, to buy seed, to plant, reap, thresh, and market their grain. The Banks also help manufacturers to purchase raw material, to convert it into saleable goods, and to market the finished product—so on all through all lines of business. The Banks of the country may, therefore, be looked upon as essential partners in the development of the Dominion." Meanwhile, the Bank clearings of Canada, which in 1919 were $16,709,995,136 and in 1920 were $20,257,021,285, had decreased to about the 1919 total, and were $17,243,057,683. By cities they were as follows:

Brandon	$ 39,282,713	Quebec	302,491,518
Brantford	62,020,507	Regina	203,659,640
Calgary	335,465,202	St. John	147,301,169
Edmonton	60,288,619	Saskatoon	100,523,291
Fort William	43,619,961	Toronto	5,104,893,766
Halifax	181,802,598	Vancouver	708,205,932
Hamilton	297,932,727	Victoria	122,416,244
Lethbridge	35,350,739	Winnipeg	2,682,441,103
London	161,956,960	Kitchener	51,159,583
Medicine Hat	21,927,687	Sherbrooke	53,641,710
Montreal	5,720,258,173	Windsor	162,268,354
Moose Jaw	74,739,761	Moncton	56,262,833
New Westminster	30,735,069	Kingston	33,872,694
Ottawa	404,237,674		
Peterboro	44,295,516	Total	$17,243,051,743

Banking incidents of the year were many and varied. The appointment of Edward R. Peacock, President of the Barcelona Traction Co., with offices in London, England, and a Canadian well-known in Toronto, as a Director of the Bank of England, aroused much interest in Canada. Mr. Peacock told a *Financial Post* representative on July 29 that Britain would soon be looking beyond London for projects to finance, as it did before the War, and that Canada should attract the attention of English investors to possibly a greater degree than before: "We haven't the money just now to invest outside that we would like to have,

but our own demands are being met, and the time is coming when we will have money for Canada and other countries." Mr. Peacock was an advocate of the formation of a Central Reserve Bank in each of the Dominions and the Bank of England, which already was in close relations with the Federal Reserve Board of the United States, had aided largely in the establishment of such an institution in South Africa. Sir Campbell Stuart, K.B.E., Managing Director of *The Times*, when in Montreal on May 9, told the press that: "In the opinion of responsible bankers and expert financiers, the establishment of a chain of independent Reserve Banks in different parts of the Empire is essential to the satisfactory adjustment of their financial relations." As to this, however, Sir Vincent Meredith told *The Times* in London early in the same month, that the suggestion had been considered at meetings of Canadian bankers, and the almost unanimous opinion was that it would be difficult to improve on the present banking system, and that a Reserve Bank would be "an unnecessary and expensive luxury."

The action of the Corporation Agencies, Limited, of Montreal—of which C. H. Cahan, K.C., was President—against the Home Bank of Canada, was an important legal case at the close of 1920 and during 1921. On Feb. 11 Mr. Justice F. S. Maclennan, in the Superior Court at Montreal, gave judgment and ordered the Home Bank of Canada to pay the Corporation $205,960.37, representing alleged defalcations of C. H. Cahan, Junior, while he was Director of the plaintiff Corporation. It was alleged by the plaintiff that between Mch. 29, 1919, and Dec. 20 of the same year, young Cahan, as a Director of the plaintiff Company, signed from time to time 96 cheques in the name of the said Corporation, drawn on the Merchants Bank of Canada, each made payable to himself, and that with the counter-signature of B. F. Bowler, Secretary-Treasurer of the Corporation Agencies, young Cahan deposited the cheques to his personal and private account in the Home Bank. He was alleged to have drawn out the proceeds for his own personal use and benefit. The defence was that in the light of the younger Cahan's authority as a Director, there was no element of warning in his actions, or in the cheques, which would indicate that he was engaged in improper transactions or was committing a breach of faith. The Bank, it was submitted, took the cheques in good faith and for value and, consequently, was not liable to the plaintiff Company for losses. The Judge's finding was that:

> The form of the cheques on their face was notice to defendant that C. H. Cahan, Jr., Director and agent of plaintiff, was appropriating to his own use and benefit the funds and moneys of plaintiff, and defendant was put upon enquiry as to the authority and right of C. H. Cahan, Jr., to issue and use the cheques in question for his own benefit and profit.
>
> Defendant, by refraining from making any inquiries as to the right of C. H. Cahan, Jr., to the cheques and to use the funds and moneys of his principal for his own benefit and purposes, participated in said wrongful acts and is liable to the plaintiff for the amount of each and every

one of the cheques fraudulently and wrongfully issued and delivered to defendant, and collected by defendant from the plaintiff's Bank.

Appeal was entered but judgment was not given up to the end of 1921. During the year there was a resumption in Toronto by the Bankers' Educational Association, of a series of lectures and classes under which, for the third year in succession, an effort was made to give Bank officers, especially young managers and accountants, a background of general cultural information which would fill out the knowledge they possessed through their banking practice. The President of the Association was H. V. Franklin Jones of the Commerce, and amongst the subjects dealt with were Economic geography and commercial development, Canadian history and government, Company and commercial law, the Finance of Industry, Partnership and Companies. Elsewhere this development also continued during the year with a general correspondence organized by Queen's University, Kingston, an intensive course by McGill University, Montreal, local courses established in Toronto, Halifax, Winnipeg, Vancouver, Montreal, lecture courses in Montreal L'Ecole des Hautes Etudes Commerciales under direction of Dr. Henri Laureys and, as a Faculty of the University of Montreal, a course of evening lectures on business subjects established by the French-Canadian banks in Montreal.

Following the wave of bandit attacks upon Banks which marked several months of the year, the Canadian Bankers' Association offered in November a reward of $5,000 for the apprehension and conviction of anyone connected with recent Bank robberies. At the annual meeting of this Association in Toronto on Nov. 10, Sir Frederick Williams-Taylor was elected President. He had served as Inspector of his Bank for 6 years and travelled much in Canada; he had acted for 2 years as Manager for the Bank in Chicago, 8 years in London, England, and, since 1913, had been General Manager at Montreal. This wide experience was now appropriately honoured and utilized. The other officers were elected as follows:

Hon. Presidents.	Vice-Presidents.
Sir Edmund Walker, C.V.O.	H. A. Richardson.
Sir Vinvent Meredith, BART.	Sir John Aird.
Sir George Burn.	Charles E. Neill.
Edson L. Pease.	Edward C. Pratt.

Henry T. Ross of Montreal was re-appointed Secretary-Treasurer, and C. H. Cronyn Assistant Secretary. Other incidents included the issue by the Canadian Bank of Commerce of a handsome volume dealing with the services of 1,700 members of its Staff in the War and entitled *Letters from the Front*, with an introduction by Sir John Aird, General Manager of the Bank; the publication by the same institution of an elaborate *History* of the Bank, compiled by Victor Ross, a financial journalist who, also, was well-known in finance; the appointment of A. E. Phipps as General Manager of the Imperial

Bank of Canada in succession to William Moffatt who passed away during this year; the policy carried out, gradually, through these months, under which the young women employed in the Banks during the War and after, were very largely replaced by men; the inauguration of a Bankers' Clearing House at Kingston, Ont., on Mch. 1st.

The Bank branches opened and closed during 1921 were as follows: Montreal 3 branches opened and 5 closed; Commerce 9 opened and 17 closed; Hamilton 1 opened and 6 branches and 5 sub-agencies closed; Dominion 7 opened and 3 closed; Hochelaga 7 branches and 31 sub-agencies opened and 11 of the latter closed; Home 4 opened and 1 branch and 2 sub-agencies closed; Imperial 4 branches and 4 sub-agencies opened and 5 and 3 respectively closed; Molsons 2 branches opened and 4 closed; Nationale 4 branches and 30 agencies opened and 4 agencies closed; Nova Scotia 8 branches opened and 7 closed; Provinciale 3 branches and 25 sub-agencies opened and 4 of the latter closed; Royal 36 branches and 2 sub-agencies opened and 38 of the former and 9 of the latter closed; Sterling 2 branches opened and 3 closed; Toronto 4 and 8 respectively; Union 4 and 25 respectively; Standard 1 branch and 2 sub-agencies opened and 5 of the latter closed.

Chief Banking Appointments of the Year.

Bank	Position	Name	Place
Imperial	General Manager	A. E. Phipps	Toronto
"	Director	George C. Heintzman	Toronto
Montreal	B.C. Superintendent of Branches	W. H. Hogg	Vancouver
"	Assistant General Manager	W. A. Bog	Montreal
Nationale	President	J. B. Laliberte	Quebec
"	Vice-President	Nazaire Fortier	Quebec
"	Director	A. N. Drolet	Quebec
Nova Scotia	Branch Manager	R. G. Wallace	Hamilton
Hamilton	Director	Howard S. Ambrose	Hamilton
"	Director	Allan B. Young	Hamilton
"	Director	W. P. Riley	Hamilton
Toronto	Director	J. D. Chaplin	St. Catharines
Merchants	Director	John Baillie	Montreal
"	Director	Norman J. Dawes	Montreal
"	Director	R. H. McMaster	Montreal
Home	Director	T. A. Mitchell	London, Eng.
Royal	Supervisor of Branches in Ontario	Norman T. Hillary	Toronto
"	Supervisor, Central Western Branches	S. L. Cork	Winnipeg
Dominion	Director	C. S. Blackwell	Winnipeg
Imperial	Branch Manager	A. R. B. Hearn	Montreal
"	Branch Manager	A. B. Duncan	Winnipeg
Nova Scotia	Superintendent of Branches	P. W. Murphy	Toronto
Commerce	Director	Miller Lash, K.C.	Toronto
"	Superintendent of Branches	C. W. Rowley	Winnipeg
"	Superintendent of Branches	J. B. Corbet	Calgary
"	Local Manager	T. P. MacKenzie	Port of Spain
"	Local Manager	E. B. Ireland	Rio de Janeiro
Montreal	Director	Senateur Gaston Menier	France
"	2nd Agent	W. T. Oliver	New York
"	3rd Agent	S. C. Norsworthy	New York
"	Assistant Superintendent of Branches, B. C.	J. G. Hungerford	Vancouver
Royal	Director	William A. Black	Halifax
"	Supervisor, Maritime Provinces	F. St. C. Harris	Halifax
"	Supervisor, Alberta	J. H. Menzies	Calgary
"	Supervisor Southern Business	C. C. Pineo	New York
"	Supervisor in Brazil	C. E. Mackenzie	Rio de Janeiro
"	Assistant Supervisor in Cuba	B. O. Moxon	Havana
Toronto	Western Superintendent	F. H. Marsh	Winnipeg
Union	President	W. R. Allan	Winnipeg
"	Vice-President	H. B. Shaw	Winnipeg
"	Director	H. A. Robson, K.C.	Winnipeg
Merchants	Vice-President	F. Howard Wilson	Montreal

The Merchants Bank of Canada; Absorption by the Bank of Montreal.

This was one of the sensational incidents of Candian finance in 1921. The Merchants Bank of Canada was one of the older banks of the Dominion and dated from 1861; it was founded by Sir Hugh Allan, Andrew Allan, Hon. John Young and other notable citizens of Montreal; in 1877, when it ranked as the second largest bank in Canada, it faced serious difficulties and a re-organization; in 1902 H. Montagu Allan became President and carried on the family interest—Sir Hugh and Andrew Allan having preceded him in the post; between that year and 1911 there was a steady advance in business and the Assets mounted from $34,168,284 to $81,928,961; on Jan. 1st, 1921, they were $190,728,112.

The Board of Directors at this time was composed of Sir Montagu Allan (President), who since the beginning of the War had spent most of his time in England, F. Howard Wilson, Vice-President, Sir F. Orr-Lewis, Bart., who also lived in London and died during the year, Hon. C. C. Ballantyne, M.P., Farquhar Robertson, G. L. Cains, A. B. Evans, Thomas Ahearn of Ottawa, Lieut.-Col. J. R. Moodie of Hamilton, Hon. Lorne C. Webster, Dr. E. W. Kneeland of Winnipeg, Gordon M. McGregor of Ford, Ont., John Bailie, Norman J. Dawes and R. H. McMaster. The Bank had 400 branches and 2,997 shareholders; D. C. Macarow, Manager for 10 years of the Montreal branch, had, in 1916, succeeded the late E. F. Hebden as General Manager, with J. D. G. Kippen, Assistant Manager for 8 years, appointed to the Branch management. The Auditors were Gordon Tansley and Vivian Harcourt of the firm of Deliotte, Plender, Griffiths & Co. The 58th Annual Meeting held on June 1st received a Report for the year of Apr. 30, 1921, which showed net profits of $1,402,820, a dividend of 12 per cent. and $1,050,000 premium in new stock which was added to the Rest and raised its total from $8,400,000 to $9,450,000. The Assets of Apr. 30, 1921, were $190,367,409, the Liabilities $169,717,470. The figures given in the monthly return to Ottawa and published officially on Nov. 30, 1921, were as follows:

Assets	
Gold coin and Dominion Notes held	$9,630,937
Deposits with Government and Central Gold reserve	4,030,000
Notes and Cheques of other banks held	9,334,057
Deposits with and amounts due from other banks	1,606,881
Government, Municipal and Railway securities held	28,033,727
Call and Short Loans	11,756,686
Current Loans and Discounts	103,959,506
Loans to Provincial Governments and Municipalities	4,007,481
Over-due-Debts	2,700,465
Real Estate, Mortgages, Bank Premises and Sundries	6,944,877
Total Assets	$182,004,617

Liabilities	
Notes in Circulation	$13,239,700
Balances due Dominion and Provincial Governments	14,623,804
Deposits payable on demand and after notice	129,637,379
Deposits made and balances due to other banks	3,358,268
Sundry Items	648,194
Total Liabilities	$161,507,345

One month later the Government return for Dec. 31, 1921—after the announcement of absorption by the Bank of Montreal—showed the total Assets as $160,079,805 and the total Liabilities as $147,253,616—a reduction of $22,000,000 in Assets and of $14,000,000 in Liabilities; the Rest had decreased to $1,500,000. Up to this time there was no thought of trouble on the part of the public—though it is an interesting fact that the Government statement of Dec. 31, 1920, showed the overdue debts of the Merchants as $1,371,652 and on Nov. 30, 1921, as $2,700,465 or one-third that of the total for all the Banks in Canada. Early in the year the Merchants Bank had been appointed as Canadian representative of the new International Acceptance Bank, organized in New York a short time before with a capital and surplus of $15,000,000 and with Paul M. Warburg as Chairman of the Board—for the purpose of promoting and financing foreign trade. There was no hint of trouble at the annual meeting and during the autumn a vigorous campaign for Savings Bank deposits had been initiated under the Christmas Club scheme with considerable advertising and publicity.

On Dec. 16 Montreal heard with astonishment and the country with absolute amazement that the Chairman of the Montreal Stock Exchange had received from Sir Montagu Allan, President of the Bank, the following letter: "You are requested herewith to withdraw Merchants Bank of Canada stock from your list as arrangements have been made with the Bank of Montreal, subject to the approval of the Governor-in-Council and the shareholders of both Banks, to take over the Merchants' Bank." Following a lengthy conference with his Board, the President issued a statement that the Directors proposed to recommend the absorption of the Bank by the Bank of Montreal; that some time before—in August, as afterwards appeared—the Directors "having reason to fear that the Bank's affairs were not in the condition as disclosed to them, came to the conclusion that it was necessary, in the Bank's interests, that a thorough examination of the Bank's affairs should be made by a suitable person." H. B. Mackenzie, General Manager of the Royal Trust Co., had been appointed and his Report, when received, was stated to show that the Bank's Rest or Reserve Fund was "seriously impaired."

When the Report was finally made public, it showed that the Bank would require over $8,000,000 to make its losses good and recommended that the Rest be reduced from $9,450,000 to $1,500,000. It appeared that the two principal accounts, then in liquidation and involving the heaviest losses, were those of Thornton Davidson & Co. and the Exclusive Ladies' Wear, Limited. It had been common knowledge that the Bank lost heavily through the failure of Thornton Davidson in July, 1920, and it was said in the Report that advances to this firm, when the

Bank's books were closed at the end of April, 1916, stood at $579,200, against securities which apparently left a good margin in the Bank's favour. These advances, however, increased gradually without, it was asserted, the authorization of the Board of Directors, and in July, 1920 (the date of the bankruptcy) amounted to about $4,500,000 against securities which proved lamentably insufficient, and eventually involved a loss of about $4,000,000.

The Exclusive Ladies' Wear, Limited, loss was described as the outgrowth of an attempt early in 1916 to save a bad debt of $65,000. With apparently this end in view, the debtors were allowed advances by the management, without, it was asserted, authority from the Directors, for new operations, and they expanded rapidly on the Bank's money. Later on the affairs of this Company and of two smaller ones of the same kind were grouped together under new control, in the vain hope of bettering the position. Meanwhile, the credits granted to these Companies had increased from $225,000 in December, 1916, to nearly $1,300,000 in 1920. The advances were nominally covered by trade paper and pledge of merchandise, but these realized only a fraction of the value placed upon them, and the result was a loss of about $1,000,000. Other losses were made in the Montreal Office and of these, also, Sir Montagu claimed that the Directors were quite ignorant.

When the facts were thus presented to the President and Vice-President on Nov. 12, 1921, they asked Mr. Mackenzie to accept the post of General Manager, but he declined and they then decided that the best thing to do was to seek amalgamation with some other Bank. Negotiations commenced with the Bank of Montreal and the result was announced on Dec. 16. At this date Merchants Bank shares were quoted on the Exchange at $157 and Bank of Montreal at $212. Following the publication of the President's statement, D. C. Macarow, General Manager, stated to the press that the last annual statement of the Bank, namely, that of Apr. 30, was prepared and audited with more than usual care, in view of which and also of the fact that nothing had happened since except in the direction of improvement, he did not understand the basis on which the President's statement rested.

At the same time it was announced by the Bank of Montreal that Mr. Mackenzie had been appointed Acting General Manager of the Merchants and Major S. C. Norsworthy, D.S.O., Acting Assistant General Manager; on Dec. 17 it was stated at Ottawa that the Minister of Finance (Sir H. Drayton) had given preliminary consent to the proposed absorption on the ground of public interest. The largest shareholders of the Bank, it may be added, were Sir H. Montagu Allan, 2,625 shares; Bryce Allan, 1,059; Bankers' Trust Co., 3,695; L. G. Beaubien et al., 1,133;

J. M. Kilborne, Owen Sound, 1,500; the Thomas Long Estate, 1,000; Sir F. Orr-Lewis, personally and in trust, and Lady Orr-Lewis, 3,566. The Staff numbered about 2,300. On the 21st, following varied and disquieting rumours, Sir F. Williams-Taylor, General Manager of the Montreal, told the press that: "You may quote me as saying that it is unquestionably a fact that the Bank of Montreal has undertaken, subject to ratification by the shareholders—which will no doubt be forthcoming—to take over all the assets and assume all the liabilities of the Merchants' Bank of Canada. The capital of the Merchants Bank is intact, and from the depositors' point of view—that is, the general creditors' point of view—the deposits in the Merchants Bank of Canada are safe beyond question, as safe as the Bank of England." Two days later Sir Montagu Allan issued a note to the shareholders and copy of the proposed agreement between the two Banks. He stated that, following Mr. Mackenzie's report, a Committee of the Directors had been named to negotiate with such banks as they considered advisable:

> As a result of these negotiations, an offer was obtained from the Bank of Montreal, subject to the approval of its Shareholders and of the Governor-in-Council, to buy all the undertaking, assets and rights of the Merchants Bank of Canada, and to assume all its liabilities, for the price and consideration of a cash payment of $1,050,000, together with a payment of a block of Bank of Montreal stock which would represent one share of that stock for every two shares of the issued stock of the Merchants Bank of Canada. Your Directors have unanimously decided to recommend to the Shareholders the acceptance of the Bank of Montreal's offer.

There was some public criticism of the arrangement with the Montreal *Star* as the most vehement critic. It was claimed that under the above plan Merchants Bank shareholders suffered a loss of income of 50 per cent. *minus* the earnings on $10 per share, making the actual loss of income approximately 40 per cent. Thus, a holder who received $6,000 in dividends would afterwards receive $3,600. The above journal declared on Dec. 24 that: "It is not the fault of the Bank of Montreal that it has made a coup. The $4,500,000 to be lost by the sacrificed Bank shareholders has to be borne by some 18,000 individuals, many of them widows and orphans. It is an appalling case, wholly unnecessary if the larger Banks had been brought in to help the situation." The probabilities, however, are that the losses were too heavy and the responsibilities of the other Banks too large at this time to make assistance on such a scale advisable. The usual arguments applicable to all Banking consolidations were also heard and some strong Toronto opinion was inclined to oppose so great a centralization of Banking power. The Montreal *Gazette* and the Financial *Times* were favourable to the merger; the Toronto *Financial Post* demanded an investigation. By the close of the year the merger was accepted as a fact, the Directors of both institutions had accepted the agreement, the

Minister of Finance had given his tentative consent, and the incoming Minister had expressed no opposition.*

To the Bank of Montreal it was a great accession of strength and business. The Banks were represented at a large number of the same points and much economy in operation would result; the good-will of the Merchants was considerable throughout the country and was estimated at a value of $1,000,000; the place of the Bank of Montreal as the biggest Bank in Canada was settled for the time at least. The process of absorption was not a new one to this institution; it had in the past acquired the Exchange Bank of Yarmouth, the People's Bank of Halifax, the Ontario Bank, the People's Bank of New Brunswick; it now ranked with the greater Banks of the world. Taking the combined statistics of the two united institutions, as on Dec. 31, 1921, after the Merchants' affairs had been somewhat re-organized, the total paid-up capital of the two Banks was $32,500,000, the Rest $23,500,000, the notes in circulation $45,570,219, the total Deposits $517,727,509, the total of Dominion, Provincial, Municipal and Railway securities held $61,851,736, Call and Short Loans $108,111,091, the Current Loans and Discounts $273,413,821. The Assets of the two Banks totalled $670,698,037 and the Liabilities $610,276,417. Ensuing re-adjustments would, of course, greatly change these totals, but they afford a general idea of the largeness of the transaction. Incidentally this absorption cut the Chartered Banks of Canada down to 17 as against 28 a decade before.

The Banks and the Farmers; Canadian Banking Interests Abroad.

The question of Banking relations to the Agricultural community became increasingly important in 1921; as the Farmers' organizations grew in political strength certain views held by them as to Banking conditions found more vigorous expression. Local dissatisfaction, especially in some Western centres, was enhanced by the depression, the great decrease in prices of farm products, the influence of the U. S. tariff duties and the restricted markets for live cattle. The movement in the Western Provinces and in Ontario for the establishment of special Banking or Loaning institutions under Government control and responsibility were, at once, indications of current discontent and proofs of restlessness of thought.

The Banks were alive to the situation and on Jan. 26 C. A. Bogert, President of the Canadian Bankers' Association, told his Dominion Bank shareholders that Farm loans by Governments had grown greatly in certain American States, that this expansion was largely caused by the disinclination of farmers and dealers in live-stock to sell on falling markets, and that

*Note.—The Shareholders in January, 1922, also accepted the Agreement, and it was eventually approved by Mr. Fielding as the new Minister of Finance.

without the assistance and facilities of the Federal Reserve Bank wide financial disaster would inevitably have taken place. This statement followed: "To a lesser degree, the same conditions prevail in Western Canada, but we find that, notwithstanding the scarcity of money, advances by the Canadian banks to borrowers in the Provinces of Manitoba, Alberta and Saskatchewan, alone, increased by $90,000,000 in 1920, as compared with the previous year." This, he declared to be a striking illustration of the soundness and elasticity of the Canadian banking system under which the banks successfully dealt with a situation which could not possibly have been handled by small local banking corporations.

In Ontario, where Rural Credits and a sort of Government Bank were under consideration, Mr. Bogert appeared on Feb. 18 before the Agricultural Committee of the Legislature, as did Thomas MacMillan, Chairman of the Provincial Committee of Inquiry. The latter claimed that: "The farmers are unable to obtain a satisfactory line of credit, as the Banking Act is designed to assist city men. Short term loans, such as the Banks grant (three months), are of no use to the farmers." In his reply Mr. Bogert stated that there was no class in the community which the Banks were more anxious to serve than the farming community; expressed willingness to co-operate with the Government if they decided to inaugurate a system of Rural Credits in this Province; stated that there were 1,500 branch banks in Ontario, many of which were located in small centres but admitted that, in this Province, deposits were much greater than the loans. He criticized the Manitoba system of Rural Credits and declared that the Banks had lost money through lending to Western farmers. In reference to Bank advances through Rural Credit Societies in Manitoba, Mr. Bogert stated that of $89,000 advanced in 1918 there was still outstanding $20,000; of $841,000 in 1919, a balance of $205,000 remained due; and of $93,000 in 1920 there was a balance of $68,000.

Meantime, the Manitoba Government was taking deposits in its special Banking system; British Columbia was discussing establishment of a Provincial Bank under proposals made by the Minister of Finance (Mr. Hart); the Alberta United Farmers were avowedly supporters of something of the kind in that Province—though the proposal was strongly opposed by journals such as the Calgary *Herald*. At the Convention of the U. F. A. on Jan. 18, George Bevington of Winterburne moved a Resolution declaring that: (1) "The Banking system is a mystery to most of the rank and file of the people; (2) that there exists a grave suspicion that the financial institutions are taking a very unjust toll of real values from the people who produce real wealth—in return for fictitious values and service; (3) that it is our duty to prevent exploitation and spread education on these matters; (4) that this Convention goes on record as in favour

of the nationalization of our Banking and credit system." It was carried unanimously after a speech describing the Banking system as a National and very profitable monopoly. J. H. Haslam of the Royal Grain Commission advocated a Central Bank which he described (Calgary, June 13) as a sort of Bank of England, Bank of France, and U. S. Federal Reserve Bank all in one. The leaders of the Agrarian movement were at this time watching closely conditions and experiments in the United States as to Government Farm Loans and other undertakings; certain forms of change had a set-back in the Dakota banking failures and the difficulties of the Non-Partisan League leaders; various organizations were looking forward to changes in the 1923 revision of the Bank Act.

It is interesting to note, in this connection, that the U. S. Federal Farm Loan Act of 1916 established 12 Land Bank Districts at the following centres: Springfield, Baltimore, Columbia, Louisville, New Orleans, St. Louis, St. Paul, Omaha, Wichita, Houston, Berkeley, Spokane. A Federal Farm Loan Board was appointed with the Secretary of the Treasury as Chairman and with G. W. Norris and then C. E. Lobdell as Commissioner; a Federal Land Bank was established in each District with the right to form District branches; at the same time National Farm Loan Associations were organized and these supplied a part of the capital which, in the case of each Bank, was to be a minimum of $750,000—they also formed the medium through which loans were made to the individual borrower; Federal Government stock in the Land Banks was to receive no dividend, but individuals, corporations, State Governments, etc., could receive dividends when declared; Loans were to be made on duly recorded first mortgages with an agreement of re-payment upon an amortization plan of a fixed number of specified installments and the rate not to exceed 6 per cent. or the amount of loan to exceed $10,000; the Land Banks were to issue and sell Farm Loan Bonds to cover the mortgage investments; no deposits could be received except from stockholders.

Corporations, also, were organized to be known as Joint Stock Land Banks, for carrying on the business of lending on farm mortgage security and issuing farm loan bonds; the shareholders were to be individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such bank to the extent of the amount of stock owned by them at the par value; the capital was to be $250,000 subscribed and one-half paid up in cash. These Banks were privately owned and managed institutions, operating under the supervision of the Federal Farm Loan Board. Salaries were paid out of earnings and their profits became dividends on privately-owned capital stock. They also were limited by law to a gross charge of 6 per cent. for interest. The Federal Farm Loan Board had power to organize Federal Land Banks and it supervised

the issue of bonds and the business of the whole system. On July 31, 1921, the Mortgage Loans issued totalled $364,738,851; the capital stock included $6,598,770 held by the United States Government and $18,531,622 by the National Farm Loan Associations; the Farm Loan Bonds authorized and issued were $373,106,575; the net earnings to date were $5,809,338 and the dividends paid $2,185,894.

Bonds were exempt from taxation and this feature of the legislation, as well as the creation of the Joint Stock Land Banks, was upheld as constitutional by the U. S. Supreme Court on Feb. 28, 1921. During this year the capital of the Federal Land Banks was increased by law to $45,000,000 and under the Kellogg Export Trade Bill the U. S. Government was authorized to loan up to $1,000,000,000 to aid in financing the export of farm products. There was one important condition in the United States which did not exist in Canada—the need of adjusting loans from the older agricultural States to the newer ones. This the Land Bank system did, but in Canada the process was already in operation by the Branch bank system; a condition which, also, was aided by the Trust, Insurance and Loan Companies. The latter, according to V. Evan Gray, Superintendent of Insurance for Ontario, had, over a 30-year period, loaned their money as follows:

Place	1890	Place	1920
Ontario	$84,600,358	Ontario	$58,426,154
		Western Provinces	64,374,160
Elsewhere	10,399,875	Elsewhere	21,169,178
Total	$95,000,233	Total	$143,969,492

The Banks in 1921 followed these agricultural developments very closely. The Financial press, in different forms, asked if there was any agricultural district in the whole world that was provided with better banking facilities than the farming communities of the Canadian Northwest; was there, indeed, any other that had equal facilities? It pressed the question as to whether there really was any one who was deserving of banking credit—that is, a person with something to pledge in return—who could not borrow from Canadian banks. It was admitted that Canadian banks did not lend directly on land or real estate and this was claimed to be a wise and necessary provision of the law; it was argued that the Rural Credits and other Farm banking schemes were preventing or retarding investment in the West. Much was said in this connection as to the situation in North Dakota with its four years of experiment in Socialistic legislation; the dominance of agricultural interests and policy in the State Bank of North Dakota and its loaning of millions on farm mortgages, to small local banks, and to State-owned industries—its financial difficulties during 1920 and 1921 with inability to sell bonds against the farm and industrial advances;

the suspension of a number of small State banks caused, largely, by the reduced prices of grain products and the final defeat of the Non-Partisan League Governor of North Dakota, his colleagues and T. O. Townley, their leader.

There were no serious Banking developments in Canada, except the Merchants Bank case, while the farmers of the West undoubtedly found that the existing depression made the possible services of these institutions even more essential than before. At a Conference (Aug. 23) held in Ottawa between Sir Henry Drayton, Minister of Finance, Hon. Dr. Tolmie, Minister of Agriculture, and C. A. Bogert, President, Sir F. Williams-Taylor, Sir John Aird, C. E. Neil, E. C. Pratt and J. P. Bell, officials, of the Canadian Bankers' Association, respecting the condition of the Canadian beef-cattle industry, it was recognized that some special measures should be taken for the protection of ranchers, cattle-dealers, cattle feeders and farmers. Owing to restricted markets and a pronounced reduction in prices, Canadian cattle could not at this time be sold to advantage. As a result of the discussion, assurance was given by the Bankers that all reasonable consideration would be extended to deserving borrowers against live-stock, especially with regard to periods of loans and renewals, and that no undue pressure would be made for liquidation of advances until there was a marked improvement in market conditions. At this time, also, it was stated that practically all of the Banks doing business in the West had strong Western business men on their Boards of Directors, as the following list indicates:

Bank	Name of Director	Address
Commerce	G. F. Galt	Winnipeg
Dominion	Sir Augustus M. Nanton	Winnipeg
"	E. W. Hamber	Vancouver
"	H. W. Hutchinson	Winnipeg
Hamilton	Isaac Pitblado, K.C.	Winnipeg
Imperial	Sir James Aikins, K.C.	Winnipeg
Merchants	E. W. Kneeland	Winnipeg
Montreal	J. H. Ashdown	Winnipeg
Royal	G. R. Crowe	Winnipeg
"	D. K. Elliott	Winnipeg
"	W. H. McWilliams	Winnipeg
"	Capt. Wm. Robinson	Winnipeg
Royal	A. McTavish Campbell	Winnipeg
Toronto	W. R. Bawlf	Winnipeg
Union	John Galt	Winnipeg
"	R. T. Riley	Winnipeg
"	E. L. Drewry	Winnipeg
"	M. Bull	Winnipeg
"	W. R. Allan	Winnipeg
"	J. S. Hough, K.C.	Winnipeg
"	W. H. Malkin	Vancouver
"	G. H. Balfour	Winnipeg
"	H. B. Shaw	Winnipeg
Sterling	W. A. Matheson	Winnipeg

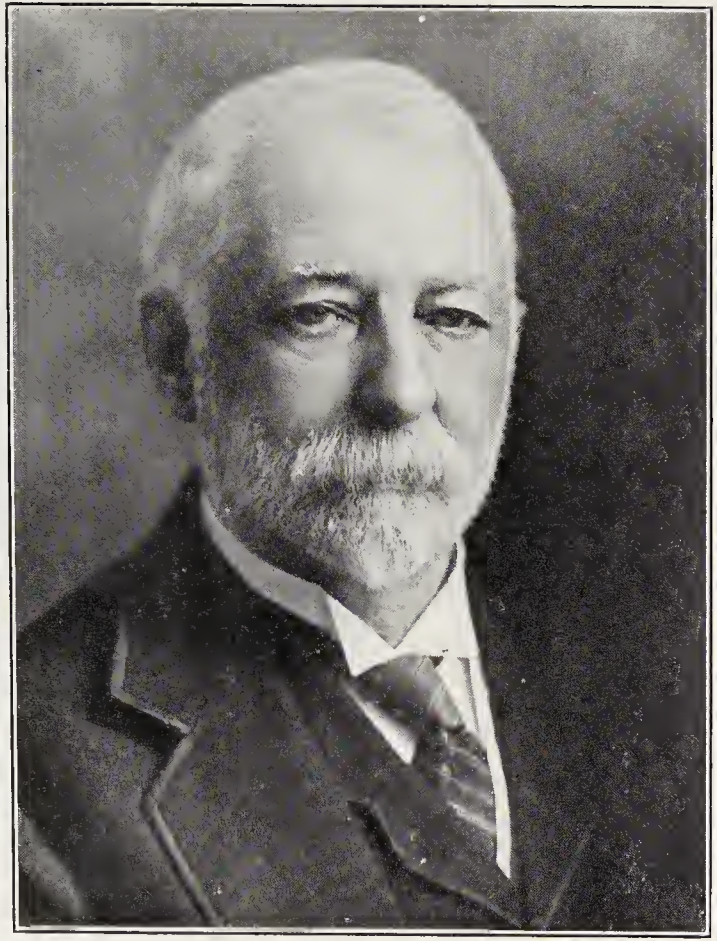
Canadian Banking Interests Abroad. The system of banking in Canada, with the large number of branches operated by the greater Banks from Halifax to Vancouver, together with numerous branches or agencies in the United Kingdom, the United States, South America and Mexico, Paris, Madrid, and other European capitals, with, also, Eastern interests such as that of the Union Bank and the National Park Bank of New York, gave to Canada considerable influence and *prestige* abroad of a financial character. It also trained able men, who found high places, notably, in the Banks of the United States. During 1921, for instance, A. C. Way of Belleville, after varied experiences, became Vice-President of the First National Bank of Los Angeles; Archibald Kains, a one-time official of the Canadian

Bank of Commerce, became President of the newly-formed Federal International Banking Co., with its $7,000,000 capital; during 1920 Vere C. Brown, also of the Commerce, had become an Executive officer of the National City Bank of New York, and John McHugh, Vice-President of the Mechanics and Metals National Bank, was the chief promoter of the $100,000,000 Foreign Trade Financing Corporation which, later on, went into voluntary liquidation; T. Frederick Aspden became Vice-President of the Park-Union Foreign Banking Corporation. Others notable in this connection included the following:

Name	Position in 1921	Bank	Place
R. E. Jones	Vice-President	Bank of Manhattan Co.	New York
J. F. Fulton	Executive	National City Bank	New York
E. J. Schilling	Exchange Manager	Lincoln Trust Co.	New York
J. B. Forgan	Chairman	First National Bank	Chicago
D. R. Forgan	President	National City Bank	Chicago
Alex. Robertson	Vice-President	Continental and Commercial National Bank	Chicago
J. M. McCurragh	Vice-President	Continental and Commercial National Bank	Chicago
H. G. P. Deans	Vice-President	Merchants Loan and Trust Co.	Chicago
John H. Reid	Assistant Manager Bond Department	Central Trust Co.	Chicago
J. G. Geddes	Vice-President	First National Bank	Cleveland
R. B. Small	Assistant Secretary	Union Trust Co.	Cleveland
F. W. Heathcote	Chief Accountant	Bank of Italy	San Francisco
F. C. Clayton	Manager	Asia Banking Corporation	Manilla
J. Ballantyne	President	Merchants National Bank	Detroit
O. T. Jaffray	President	First National Bank	Minneapolis

Of course, under American conditions, probably all of these officials were, in 1921, United States citizens, but they illustrate the point made above. In Cuba Canadian banks at this period were very strong and in 1921 shared with New York institutions some of the difficulties of the local situation and the sugar deflation of the previous year. It was stated in June that the New York Banks had approximately $40,000,000 tied up in Cuban sugar; Canadian Banks were said to have been more fortunate in their policy. R. S. Young, Superintendent of Cuban Railways, was in Montreal on July 21 and told the press that Canadian banking institutions had become the most powerful in Cuba and practically controlled financing in that country. This was due to the careful policy of the officials during a time when local millionaires were being made over-night. American banks, he said, lent money indiscriminately, but those of Canada, having experience in business and land booms, in Western Canada, refused to be stampeded by phenomenal sugar prices, lent money on only adequate security, and were now in a very strong position: "Canada will benefit enormously and capture the pick of the Cuban trade." Sir Herbert Holt, President of the Royal Bank of Canada which, at this time, had 47 branches in Cuba and, altogether, 103 branches outside of Canada, stated at the annual meeting in Montreal on Jan. 13 that:

> Thanks to the precautions taken by our management in early warning our officers in Cuba of the inevitable reaction that would follow the excessively high prices and instructing them to adhere to our policy of making no advances for speculative purposes, I am pleased to tell you



THE HON. WILLIAM STEVENS FIELDING, M.P., LL.D., D.C.L.
Appointed Dominion Minister of Finance in 1921.



THE HON. JAMES MURDOCK, M.P.
Appointed in 1921 Dominion Minister of Labour.

that we have made no loss, and do not anticipate making any loss, as the result of the present financial disturbances; in any case, full provision has been made for unforeseen contingencies. We are conducting business as usual, not taking advantage of the moratorium, being satisfied, after an experience of over 20 years, that there is no safer banking field than Cuba.

E. L. Pease, Vice-President of the Bank, added on this occasion, as to the 10 branches of the Royal in South America and its many others elsewhere, that: "Our branches in South America are making steady progress, and we are well pleased with the outcome of our first year's operations there. We are moving slowly, taking no undue risks. It must not be supposed that a Bank's interests in a foreign country are necessarily jeopardized in consequence of weak exchanges; without exception, the operation of our Foreign branches has been satisfactory." The Foreign Trade Department of this Bank, during the year, placed many Canadian firms in touch with West Indian trade through its 15 branches in the British West Indies; it published a volume sketching and describing banking operations arising from "Financing Foreign Trade"; its Paris and Barcelona branches prospered excepting for the heavy Spanish taxes in the latter case. The Union Bank of Canada adopted and further developed during this year the policy of appointing an Advisory Committee at each of its chief Foreign branches; in New York the members were Stuyvesant Fish and Gilbert G. Thorne, both outstanding men in Banking circles. The Bank of Montreal opened branches in West Africa.

Meanwhile, the Canadian banks represented in London had joined those of other Dominions and parts of the Empire and of some Foreign countries, as well, in the British Overseas Banks' Association, which, in 1921, comprised 37 member Banks whose business was mainly Overseas and who had their chief office or a branch office in London. These member banks had among them 6,357 branches situated in every part of the world with a paid-up capital of £70,660,000 sterling and total assets of £1,567,000,000. Their business included not only the financing of local requirements throughout the Overseas Dominions and other places where they operated, but also, in a great measure, financing of shipments throughout every part of the world. Charles Cambie, London Manager for the Canadian Bank of Commerce, was Chairman, and at the close of the year presided at an imposing banquet of bankers which was addressed by Rt. Hon. Winston Churchill, Secretary for the Colonies. Mr. Cambie was, also, the Canadian member of the Committee of the British Bankers' Association.

The old question of issuing call loans in New York and elsewhere, as a sort of liquid security and, at the same time, as a profitable use of money, came up during the year in various forms. The total of call and short loans elsewhere than in

Canada on Dec. 31, 1920, was $211,442,652; on Dec. 31, 1921, the total was $169,859,037. The chief Banks concerned at the later date were the Bank of Montreal, $95,384,207; the Bank of Nova Scotia, $11,731,284; the Canadian Bank of Commerce, $22,165,-250; and the Royal Bank of Canada, $25,043,791. It was, and is, obvious that money lent at not more than a 30-days term on high class and fluid securities in New York or Chicago would be more easily available in a Canadian crisis than if lent on longer terms and heavier securities to industries and other interests in Canada. If, however, the crisis came in New York at the same time as in Canada—as it did on Aug. 4, 1914—the situation might wear another aspect.

Trust and Loan Companies; Mortgage Interests of Canada.

The latest available statistics* as to Canada's Trust, Loan and Mortgage Corporations are those of 1920, when 49 Companies had invested in Mortgages to a total of $178,522,397 with other Loans of $7,409,452; they held other securities of $39,432,405, real estate and premises worth $11,260,569, cash $10,472,341, with total Assets of $258,894,960. The largest concerns included were the Canadian Permanent, the Credit Foncier, the Huron and Erie Loan, the Montreal Trust and Loan, the Investors' Mortgage Securities. The Liabilities of the Loan Companies in Saving Deposits totalled $30,786,015, and on Debentures $113,196,718; the capital stock was $68,886,-056, the Reserve funds $36,503,412 and other liabilities to shareholders $8,920,704. The Investments of the Trust Companies were as follows: on capital account $46,092,845; on guaranteed accounts $41,765,186; the Estates Trusts were $571,099,895. The total was $667,915,411 with the Royal Trust Co., the Toronto General Trusts, the Trusts and Guarantee of Toronto, the Union Trust Co., and the National Trust, as the leaders.

The Loan Companies had a good year in 1921 apart from the continued difficulty of raising money by the sale of Debentures; so with Trust Companies. Mortgage rates continued high as in 1920 and ranged from 6½ per cent. to 7½ per cent. for good city property with 8½ and 9 per cent. for Western mortgages. In connection with Trust and Loan companies, important changes were made in the Ontario law. The new Act required that depositors' moneys should not be mixed with other moneys, but be kept separate from all other funds received by the Company; that depositors' moneys should not be invested in other than Trustee securities as authorized by the law of the Province of Ontario; that the investments made with depositors' moneys should be ear-marked on the Company's books as belonging to them and in such a manner that there should always be ear-marked investments equal in amount to the total deposits; that

*Note.—Writing in February, 1922.

deposits should be guaranteed by the Company. Better inspection was assured and quarterly returns from Trust Companies made compulsory.

Prior to its passage in May, George H. Smith, Assistant General Manager of the Canada Permanent Mortgage Corporation, told the Toronto *Globe* on Jan. 24 that there should be no widening of powers by Trust Companies to receive deposits as British investors, upon whom the Companies largely depended, regarded deposits as a preferred claim and as endangering their own debenture securities: "Under the existing restrictions, the Ontario Loan Companies have unused powers to take deposits to the amount of more than $20,000,000 or, in other words, after all these many years of effort they have not obtained deposits of much more than half the amount already authorized. If some of the larger Companies operating under the Dominion Act possessed the powers authorized by Ontario the amount of additional deposits which might yet be received by the Companies would be increased to over $31,000,000." Mr. Smith took exception, under existing conditions, to the $40,000,000 invested by Companies in negotiable securities; some, at least, of this should, he thought, be made available for Mortgage investment.

Incidents of the year included the incorporation of the Ontario Equitable Trust Corporation with an authorized capital of $2,000,000, a considerable preliminary stock subscription and A. J. Prest as General Manager with headquarters at Waterloo; the final chapter in the long liquidation of the Dominion Trust Co., Vancouver, was written in the discharge of the official liquidator, J. Crowther Gwynn, with total collections of $1,673,000 and disbursements of $1,561,000; the celebration by the Toronto General Trusts Corporation of its 40th year of successful operation under the management of (1), the late J. W. Langmuir, and (2), A. D. Langmuir, the present General Manager.

During the year the Canada Permanent absorbed the London and Canadian Loan and Agency Co.—a well-known corporation dating from 1863 with total Assets (Dec. 31, 1920) of $5,067,253 and Liabilities to the public of $2,778,087. The President of the combined corporation was W. G. Gooderham, the Vice-President R. S. Hudson who, with John Massey, was Joint General Manager. At the annual meeting of the National Trust Co. in Toronto on Feb. 2nd, Sir Joseph Flavelle, President, spoke of prices and reconstruction; W. E. Rundle, General Manager, declared that it had been estimated that it would require from 15 to 20 million dollars of Mortgage Loan money to assist in providing dwellings necessary to properly house the population of the City of Toronto alone. Farmers, he stated, required money yet, at the same time, it was being withdrawn from this form of investment by Britain and European countries: "Some solution of the Mortgage Loan situation must be forthcoming. I submit that the

practical solution of the difficulty should come largely through the Companies obtaining a larger share of the liquid funds which are available in Canada itself."

How this was to be done was not indicated, though the movement in favour of increasing deposits and the powers to receive them was one method and appears to have been favoured by this Company. As a matter of fact, deposits in 8 leading Loan Companies increased $1,300,000 in 1920 over the previous year. The means available were, also, being added to by Insurance Companies which, during 1920, put $103,895,691 into Mortgage Loans as compared with $91,325,101 in 1919. The Dominion Mortgage and Investments Association and the Ontario Land Mortgage Companies Association went on record as favouring the securing of larger borrowing powers as means of adding to their available capital for loans.

Meanwhile, in the West, these Companies were faced by very considerable competition from the Rural Credits' scheme and its support by Provincial Governments; it was contended that this and similar plans, such as the Land Bank system in the United States, discriminated unfairly against the Loan and Trust Companies and the capital invested in and through them. The Canada Mortgage Loan Association met at Winnipeg in Convention on May 12, with W. E. Long, Toronto, in the chair and 100 delegates present. During his speech Mr. Long declared that new conditions would necessitate adjustment of the Mortgage machinery in Canada: "In giving essential public service, by prudently exercising their functions as lenders on mortgage security, the organizations concerned would be greatly aided if it could be stated, particularly in Western Provinces, that there was no legislation of a discriminatory or restrictive character. A mortgage lender, making a contract in conformity with existing statutes, frequently found that during its currency new legislation had been passed, which resulted detrimentally to the lender. To those engaged in obtaining funds for investment in mortgage securities it had been found that one of the great obstacles to their doing so was uncertainty as to what might be done by legislators."

In the report of the Municipal Finance Committee, reference was made to default in payments by cities and towns in Alberta and Saskatchewan, while in Manitoba, Ontario and Quebec the Provincial Departments had intervened and averted loss to debenture holders. W. D. Glendenning, in an address on the Manitoba Farm Loans, claimed that during the 3½ years of operation the Province had shouldered costs amounting to $250,000. A Resolution was passed urging the Dominion Government to cease giving priority to liens or advances for seed grain and R. B. Bennett, K.C., suggested an amendment to the Canadian constitution which would make it impossible for any

Legislature to pass any law impairing the obligation and sanctity of contracts; Mr. Long was elected President.

Financial Appointments of the Year.

Imperial Trusts Co.	Director	W. H. Thorburn	Toronto
Imperial Trusts Co.	Director	Hon. Geo. Lynch-Staunton	Hamilton
Imperial Trusts Co.	Director	A. W. Marquis	St. Catharines
Commercial Finance Corporation	Director	A. S. Wigmore	Toronto
Commercial Finance Corporation	Director	Thomas Leeming	Toronto
Trusts & Guarantee Co.	Director	Lieut.-Col. Ernest Wigle, K.C.	Windsor
London and Canada Loan and Agency Co.	Managing Director	W. C. Noxon	Toronto
Royal Trust Co.	Director	Sir A. M. Nanton	Winnipeg
Union Trusts Co.	Director	S. R. Parsons	Toronto
Union Trust Co.	Director	J. B. Laidlaw	Toronto
Crown Trust Co.	Director	Sir Mortimer Davis	Montreal
Home Investment and Savings Association	Vice-President	W. H. Cross	Toronto
Home Investment and Savings Association	Director	G. W. Allan, K.C.	Winnipeg
National Trust Co.	Director	Ed. Fitzgerald	Winnipeg
National Trust Co.	Director	Sir Douglas Cameron	Winnipeg
National Trust Co.	Director	A. McT. Campbell	Winnipeg
National Trust Co.	Director	Kenneth MacKenzie	Winnipeg
National Trust Co.	Director	G. W. Allan, K.C.	Winnipeg
National Trust Co.	Director	Leighton McCarthy, K.C.	Toronto
National Trust Co.	Director	Carl Riordon	Montreal
National Trust Co.	Vice-President	Herbert C. Cox	Toronto
Chartered Trust and Executor Co.	Director	Lieut.-Col. D. H. McLaren	Barrie
Canada Landed and National Investment Company	President	D. E. Thomson, K.C.	Toronto
Canada Landed and National Investment Company	Vice-President	F. W. Harcourt, K.C.	Toronto
Toronto General Trusts Corporation	Director	W. L. Matthews	Toronto
Toronto General Trusts Corporation	Director	A. D. Langmuir	Toronto
Toronto General Trusts Corporation	Director	C. S. Blackwell	Toronto

Insurance Interests of Canada: Life, Fire Fraternal and Other Companies.

Insurance conditions had, by 1921, become a vital matter to all Canadians; their prosperity and financial well-being turned in an increasing degree upon this great business and personal interest. According to J. H. Castle Graham, General Secretary of the Canadian Underwriters' Association (Montreal address, Oct. 7) the 2½ billions for which the people of Canada were insured would provide for 350,000 widows and orphans for 20 years; it would purchase 625,000 homes at $4,000 each, or it would furnish an education to over a million children. Over six hundred million dollars, he added, had been paid out by the Life insurance companies in Canada, of which two hundred millions had been paid to living policy-holders in the past 10 years and this was actually twenty-five millions more than was paid in death losses—despite the heavy war and influenza claims.

Mr. Graham also stated that over 1,000 persons every day took out policies, and that the total yearly amount would provide an income of 100 dollars a month for 15 years to 50,000 families. He expressed the opinion that 79 per cent. of all busi-

ness failures in Canada in the past year were due to personal causes which Life insurance would have obviated or met because Life insurance established credit, furnished ready cash to pay off indebtedness, safe-guarded a deceased partner's share in business and created an asset of fixed value which could not shrink. Referring to the investments of Insurance companies, it was stated that the premiums received formed a Trust fund, which amounted to $700,000,000 and were invested in Government securities, transportation, industrial and other enterprises of Canada. As to the farmers of the country, the Insurance companies had placed 25 to 40 per cent. of their entire assets in mortgage loans; never in the history of insurance in Canada had a policy-holder lost a dollar through the failure of any Life Insurance company. It may be added that the total figures of Life Insurance in Canada for the year ending Dec. 31, 1920, were as follows:

Companies	Net Amount in Force	Increase 1920 over 1919	Lapses During Year
Canadian Companies	$1,664,358,605	$301,717,043	$116,775,903
British Companies	76,883,090	9,975,026	5,694,061
Foreign Countries	915,793,798	157,496,107	85,378,884
Total	$2,657,035,493	$469,188,176	$207,848,848

Companies	New Policies (Life)	New Policies (Industrial)	Premiums Income
Canadian Companies	$399,826,995	$11,857,232	$57,205,082
British Companies	14,814,025	2,105,710	2,776,099
Foreign Companies	146,500,166	56,975,467	30,236,866
Total	$561,141,186	$70,938,409	$90,218,047

If these totals had included the figures of Provincially-licensed Companies, the Net Insurance in force would be $3,034,-524,013, the new policies issued (gross) $729,014,986, the Net Premiums received $97,443,784, the claims paid $32,153,055. The number of policies exposed, technically, to the risk of termination by death in 1920 was 3,601,463; the number actually terminated was 29,575. The Income of Canadian Life Insurance Companies in 1920 was $104,639,853, and their disbursements $64,698,790. Out of every $100 income there was expended in disbursements, in respect of assurance and annuity contracts, $35.35; in general expenses $23.50; in taxes $1.24; and in dividends to share-holders $0.91; otherwise, $0.82; leaving $38.18 to be carried to reserve. The disbursements as to Assurance and Annuity contracts, including death claims, matured endowments, surrender values, dividends, etc., totalled $53,438,056. The total investment in Mortgage Loans, at the beginning of 1921, of all Life Companies was $125,766,968; the total of Policy Loans outstanding was $63,930,216; the Assets in Canada of British Life Companies operating in Canada were $37,521,001 and of American Companies $129,072,888; the total Assets of Canadian Life Companies were $420,018,399. The total Funds of the latter on Dec. 31, 1920, including participating and non-participating

shareholders' surplus, paid-up capital and contingent or special reserves was $404,533,968. The amount of bonds, debentures and stocks held by Canadian, American and British Companies in Canada on Dec. 31, 1920, was $346,831,320.

These great interests in Canada had developed in the main since 1847 when the Canada Life was founded by Hugh C. Baker of Hamilton;* between 1869 and 1919 Life insurance held by Canadian companies grew from 15 to 62 per cent. of the whole and decreased by American companies from 39 to 35 per cent. and by British from 46 to 3 per cent. It may be added that, at this time and since 1875 in Canada, there was a Dominion Government Department for the supervision and regulation of Assurance throughout the country and a central Federal Superintendent; there was one Federal law, which regulated most of the details of the business; the Provinces had jurisdiction over local companies without a Dominion license, and over certain agency and other operations of the Dominion companies which were local in character. New provisions in the 1917 Act arranged that a Policy should be deemed the whole contract; the Agent of a Company was not to be an agent of the insured; no estimate, illustration or statement of the dividends or shares of surplus expected was to be made or issued; rebates, discrimination, etc., were forbidden; quinquennial distribution of surplus and profits was to be made; form of Policy was to be approved and the Policy to be incontestible after two years except for fraud or non-payment of premium.

During 1921 the financial depression caused much attention to be given Life insurance as an element of resource in business. R. H. Myers, Probate Judge, Winnipeg, in an elaborate study of the subject, pointed out that there were 3,000,000 Canadian policy-holders and declared that: "Life insurance has outgrown its original purpose of family protection alone and has now become a most reliable resource upon which business may lean in time of emergency. We are advised that in the United States 85 per cent. of the assets of estates probated consists of Life insurance, whereas in Canada the percentage is less than 40." C. W. Rowley, of the Canadian Bank of Commerce, was even more explicit in addressing the Life Insurance Institute of Winnipeg: "In my opinion the importance of Life insurance as a support to banking credit is somewhat overlooked. While it may not add much to a customer's financial responsibility the placing of adequate insurance shows forethought, thrift and conservatism." The frequent dependence of business upon the life-risk of one man was pointed out and the importance of Business Insurance described: "Earning ability has a value worthy of being treated as actual property of the concern and

*Note.—An address by T. B. Macaulay, F.I.A., F.A.S., F.S.S., published in *Canadian Finance* Winnipeg, (June 15th, 1921), gave an elaborate history of Canadian Life Insurance.

protected by insurance just as carefully as is any other of the Company's resources."

As to this and general conditions during the year Herbert C. Cox, President of the Canada Life, stated in his annual address covering 1921 that: "It is no surprise that the altogether unusual amount of Life assurance sold on this continent in 1920 should not have been equalled in the last 12 months—the wonder is rather that the shrinkage in volume is only 15 per cent. and in Great Britain about 20 per cent. This is only another indication of the appeal life assurance makes to the public under any and all circumstances. It is one of the great silent stabilizing factors in business and in the home. There has been in evidence in the United States for some considerable time a tendency upon the part of bankers to ask for Life assurance as collateral security in cases where the personal equation enters largely into the granting of credits." The turn of the tide from the phenomenal expansion of 1918-19-20 came in 1921—though some Canadian Companies actually increased their business. The estimate of G. D. Finlayson, Dominion Superintendent of Insurance, as to new business in 1921 was $594,000,000 gross or $535,000,000 paid for in cash; an estimate by G. Cecil Moore, Assistant General Manager of the Imperial Life, was $510,000,000 for new business; the total in 1920 had been $641,000,000. The mortality was said to be even more favourable in 1921 than in 1920. Policy Loans in January-June, 1921, were $10,661,222 compared with $6,962,033 in the same months of 1920. Practically all the Companies were said to have increased their financial strength. As finally published in 1922 the new Life business of the year was $514,000,000 or a decline of 18%—due in part to a lessened demand for Group insurance for industrial purposes. The new general business compared most favourably with the $313,000,000 of 1918.

Incidents of the year included the repeal of a provision in the U. S. Revenue Act which affected Canada by imposing a tax upon Insurance paid by United States Life Companies even in cases where the holder was a non-resident; a movement towards uniformity of beneficiary laws throughout the various Provinces which was taken up by the Canadian Bar Association; the absence of any new licenses granted for Life Insurance business during the year and the non-incorporation of any new Life insurance companies by Parliament; the statement of V. Evan Gray, Ontario Superintendent of Insurance (Louisville, Sept. 27), that out of 260 Insurance companies registered in Canada for Dominion business 114 had their head offices in the United States; the fact that Life Insurance—excluding Fraternal business—increased to $3,000,000,000 of a net amount in force or double the total of five years before.

New points of view were constantly cropping up as to Insurance—one was that the Farmer, in particular, should carry a

policy large enough to cover any mortgage indebtedness against his land; an arrangement was made by the United Grain Growers' Securities Co., Ltd., of Winnipeg, with the Sun Life Assurance Co., for a Grain Growers' series of Policies including Straight Life, Limited payment and Endowment; the growth of Endowment insurance was described as doubling in amount between 1910 and 1919 or from $227,344,790 to $488,813,886; attention was drawn to the Canadian Government's Life insurance scheme for returned soldiers, to the appointment in January of Major C. B. Topp, D.S.O.,M.C., as Director, to the poor preliminary response made to the proposals and to the fact that by September over 5,000 held policies to a total of $13,500,000; the Canadian Manufacturers' Association and a strong delegation of business men from Montreal, Toronto and other points, united in protesting against the Ottawa Government's proposal to tax premiums paid to unlicensed companies; a proposal had its initiative in Chicago which urged the provision of Insurance for meeting Succession duties and avoiding the sacrifice of securities which often resulted from this demand on estates.

It may be added that Industrial insurance had a total new business in 1920 of $70,938,409 and in 1921 was very actively pressed in Canada by the Metropolitan, New York, Prudential, Travellers and Ætna Companies of the United States—with the Equitable withdrawing from the field; Randall Davidson retired from the management in Canada of the North British and Mercantile Insurance after 19 years' control. Some of the large totals of Canadian insurance which became death claims in 1920 were as follows: G. W. Farrell, Montreal, $226,000; Elias Rogers, Toronto, $63,000; Z. A. Lash, K.C., Toronto, $37,000; W. Graham Browne, Montreal, $57,000; E. R. Levison, Winnipeg, $50,000; J. T. Hammill, Ottawa, $57,000; J. E. Julien, Quebec, $81,000.

Group Insurance in Canada. The question of Group Insurance continued to be much discussed, though for the moment it decreased in actual amount. So far as Canada was concerned it was initiated in November, 1919; it had been tried in Great Britain for many years and, latterly, in the United States, where it had expanded rapidly during the first two years. The Canadian policies in 1919 were $10,749,850 issued by American Companies and $47,940,258 in 1920; those issued by Canadian Companies were $761,400 in 1919 and $28,985,228 in 1920. The total increase from 11 to 76 millions in a year was an evidence of growing popularity; enthusiastic advocates proclaimed it the solution of many business problems and the assured prosperity of the industrial world; pessimistic detractors declared it a dangerous policy, the money as thrown away, the time better spent on some real solution of Labour problems; many Insurance experts during 1921 still considered the whole scheme as on its trial so far as any large addition to Insurance benefits was

concerned. It lacked exact definition—either in a business or legal sense—and this is always an obstacle to full success. A statement accepted by W. J. Graham, 3rd Vice-President of the Equitable Life and given by him to the Life Underwriters' Association, Toronto, was as follows:

> Group Insurance is that form of Life insurance covering not less than 50 employees with or without medical examination, written under a policy issued to the employer, the premium on which is to be paid by the employer or by the employer and employees jointly, and insuring only his employees, or all of any class or classes thereof determined by conditions pertaining to the employment, for amounts of insurance based upon some plan which will preclude individual selection for the benefit of persons other than the employer, provided, however, that when the premium is to be paid by the employer and employees jointly and the benefits of the policy are offered to all eligible employees not less than 75 per cent. of such employees may be so insured.

At this time it was issued almost exclusively upon the yearly-renewable-term plan and the average cost per $1,000 had worked out at about $8.00 per man per year. In Canada the active Companies in the first two years of operation were the Canada Life, the Sun Life and the Great West Life. with four United States concerns—the Ætna, the Travellers, the Metropolitan and the Prudential. The larger employing firms who went into the system in 1920 seemed satisfied. J. Westren, General Manager of the Dunlop Tire and Rubber Goods, Ltd., told the *Financial Post* of Toronto (Apr. 15, 1921) that: "We believe Group insurance is a good thing—good alike for employee and employer—and we have just renewed the policy for 1921." C. O. Stillman, President Imperial Oil Co., declared that: "If we had no Group insurance at the present time we would inaugurate such a department at once. Our motive was the welfare of our employees and an ordinary act of business policy, which had for its object the reduction of the large losses to industry due to replacements, in a word, with the hope to lessen the turnover of labour." C. S. Coryell, President Adams Furniture Co., Toronto, W. R. Breyfogle of the De Laval Co., Peterborough, C. H. L. Jones, General Manager Spanish River Pulp and Paper Mills, and others expressed similar views. The *Financial Times* of Montreal (May 14, 1921) gave the following reasons in favour of the scheme:

> 1. It is an investment that develops teamwork and gives a definite and continuous return for an outlay in premiums that is usually less than 1 per cent. of the pay roll.
> 2. It rewards efficiency and faithful service by providing increasing amounts of Insurance based on the length of time employed or the amount of salaries or wages earned.
> 3. It reduces the cost of "turn over" by stabilizing the labour employed whether in office or factory.
> 4. It protects the families of the employees and transfers to the Insurance company the responsibility of providing for the widow and children.

5. It promotes good-will by linking the home and the dependents of the employee more closely to his work and to his employer.
6. It provides a form of welfare work that should come first—that is the safeguarding by Insurance of the homes of the workers who belong to an organization.
7. The employee secures the Insurance protection free of the medical examination which many might not be able to pass.

The disadvantages of the plan were stated by *Canadian Finance*, Winnipeg (Oct. 19) as follows: "(1) That insofar as fraud is concerned medical examination is extremely valuable, if not indispensable, and if waived entirely fraud will increase both in respect to large and small amounts; (2) the medical examiner alone is able to detect the presence of a large class of ailments affecting longevity; (3) while from the standpoint of moral hazard it is safer to restrict 'non-medical' business to smaller amounts, as regards physical impairments, the medical examination is as important for small as large amounts." These were the chief objections and British experience did not prove them impossible to overcome. According to E. E. Reid, before the Victoria, B.C., meeting of Underwriters, the initial proposition introduced in Great Britain in 1890 contemplated the issuance of a non-medical policy on the ordinary whole life with profits plan, but during the first five years no insurance would be carried other than the return of premiums to be paid in the event of death. At the end of five years the policy *ipso facto* became a with-profit endowment insurance, payable at the end of 15 years or at previous death, and the corresponding endowment premium, at the attained age, became chargeable. There had been various modifications but the general plan was still operative.

The Canada Life Assurance Co. worked out, in 1921, a scheme of "wholesale" insurance, a modification of the Group plan. It could be applied to a group of workmen numbering from 10 to 49 while the ordinary Group policy applied only upon a minimum of 50. The Insurance Company under this plan reserved the right to ask for evidence of health, whereas under the original plan the coverage applied to a body of workmen or employees without requiring any medical examination whatever. Another adaptation known as "Association" insurance could be applied to members of trade unions or lodges. Here, as in wholesale insurance, the Company could require some evidence of health, and an age limit of 60 years was placed beyond which the cheaper form of policy would not apply. The Company dealt directly with the lodge or union, which made an assessment for insurance upon its members. In other directions the general principle developed. The Cities of Westmount and Calgary had their employees insured under the Group plan and the Provinces of Manitoba and Quebec decided to secure similar insurance for their employees.

Insurance Meetings of 1921. Only a passing reference can be made to the Insurance meetings of the year. The Life Under-

writers' Association of Canada held its annual Convention at Victoria on Aug. 17 with 400 delegates present and O. B. Shortly of Toronto in the chair. The purpose of the organization was described as the attainment of better conditions in the Insurance business; it sought for sane legislation regarding Insurance matters, greater efficiency on the part of underwriters, and the maximum degree of protection for the public; its membership comprised active salesmen and field men while most of the delegates were said to be branch Managers. Prominent Insurance men present were C. C. Ferguson and J. W. W. Stewart, Winnipeg; E. E. Reid, London; Thomas Hilliard, Waterloo, Ont., and Orville Thorp, President, National Life Underwriters of the United States. The latter dealt at length with the problem of Succession duties and estate tolls after death, the need for immediate cash to save property and fortune for heirs: "In my belief the solution is the purchase of Life insurance. That is an asset that can be created without difficulty, from interest earnings, by the man while living. It will provide ready cash to pay succession duties at death and at the same time leave the original fortune intact." The Hon. J. W. de B. Farris, Provincial Attorney-General, stated that a Provincial Insurance Act was under preparation by which all Insurance salesmen must be taxed; he declared that Insurance conserved public health, helped to provide capital and credit in the national centres, developed individual thrift, protected the family. A number of other speakers followed including M. A. Macdonald, K.C., M.L.A. Mr. Shortly was elected Hon. President; J. G. Stephenson of the London Life, Winnipeg, President; J. B. Hall, Toronto, Hon. Secretary; J. H. Castle Graham, Toronto, was re-appointed Secretary-Treasurer. Montreal was awarded the Reid Cup for membership increase and, also, the Burtt Morgan Prize for percentage increase during five years.

At the annual meeting of the Insurance Federation of British Columbia on June 10, A. E. Goodman, the retiring Secretary, observed that every State in the American Union had a similar organization to fight adverse legislation, and that it appeared that in the United States there were many demands for Government insurance—a movement very likely to arise in Canada and which it was necessary for Insurance men to fight. William Thompson was elected President and vigorous opposition to State Health Insurance expressed. The Saskatchewan Life Underwriters held their 1st Convention at Saskatoon on Mch. 15-16, and by unanimous vote declared that Life insurance should be lifted out of all other classes of insurance and be placed on a plane by itself with its own special certificate of authority, issued by Provincial Insurance departments, and that qualifications for agents should be left to the Companies to pass upon. Addresses were given by A. E. Fisher, Provincial Superintendent of Insurance, and J. W. W. Stewart of Winnipeg. M. B. Farr of

Regina was elected President and F. W. Graham, Moose Jaw, and R. M. Currie, Saskatoon, Vice-Presidents.

The 4th annual Conference of Provincial Insurance Superintendents of Canada was held at Quebec on Oct. 6. Nearly all the Provincial Governments were represented by their Insurance Superintendents or other officials; while Companies and Underwriters' Associations had representatives present and several officials from the head offices of American companies doing business in Canada were in attendance. The report on Dominion Legislation, presented by A. E. Fisher, President of the Association, criticized "the continued attempt of the Superintendent of Insurance at Ottawa to introduce the control of agents by his Department despite the fact that protests had been received from the Provinces and from practically all Insurance interests." It was claimed by Mr. Fisher that existing laws, especially as to Fire insurance, were very hard on Provincial companies.

H. J. Sims, K.C., of Waterloo, Ont., gave an important address as to uniformity of legislation and the Model Act re Life and Fire Insurance which he had prepared at the request of the Ontario Insurance Superintendent and the Canadian Life Officers' Association. He made this statement: "There is no doubt that the Parliament of the Dominion has the right to incorporate Insurance companies and to regulate them after they are formed. The Provinces have a similar right as well. However, once a Dominion-formed Company does business in any particular Province it at once submits itself to the laws of that particular Province as to its Insurance contracts." He declared that uniformity in Provincial laws was better than Federal centralization. A Resolution was unanimously passed opposing Federal interference with licensed Agents.

The Conference also urged Provincial Governments "to provide that the provisions of the law relating to deposits by Insurance Companies as a condition precedent to the issue of a license, should not apply to an insurer having on deposit with the Government of any Province of Canada, a sum not less than $50,000 which, in relation to its whole Canadian business, is not less in amount than that required by the provisions of the law in relation to the business of the insurer within the Province." It approved a Form of Automobile Insurance conditions and endorsed a proposed Model Fire Insurance Policy Act involving uniform legislation for and by the Provinces; advised co-operation between Provincial Superintendents and inspection of the affairs of Companies not incorporated in a Province but incorporated in another Province; urged a uniform law in Western Canada respecting Mutual Fire Insurance Companies and the standardization of inter-Provincial Legal Reserve requirements for Insurance Companies; advocated the establishment of a Central Hail Adjustment Bureau in the Western Provinces and urged intro-

duction in Provincial Legislatures of Bills providing for Standard Uniform Statutory Conditions in respect of Accident and Sickness Insurance contracts and Automobile Insurance contracts—these to stand for consideration until the ensuing Session. Charles Heath of Manitoba was elected President, F. L. Monck of Quebec Vice-President and V. Evan Gray of Ontario Secretary-Treasurer.

The Annual Convention of the Canadian Underwriters' Association was held at Niagara Falls on June 27-28, with 70 members in attendance; John Jenkins of Montreal was elected President, Alfred Wright, Toronto, Ontario, Vice-President, and W. T. Baldwin, Montreal, Quebec, Vice-President.

Fraternal Insurance and Assessments. During this and the previous year efforts were made by Canadian Governments to supplement the work of some of the Fraternal organizations and to bring all those operating in Canada within the regulations of complete actuarial solvency. The Ontario Department of Insurance, with the co-operation of the Canadian Fraternal Association, obtained legislation (1920) which required every Society to employ a duly qualified actuary of its own choosing and the filing with the Department of an annual valuation of the assets and liabilities of the Society. It was also required to file an actuarial declaration that its rates and assets on hand adequately provided for the payment at maturity of its contracts of Insurance. If the Society's actuary was unable to file such a declaration provision was made for a re-adjustment of the rates of contribution, or a reduction in the amount of benefits so as to provide with reasonable certainty for the payment of contracts at maturity; should the Society fail to carry out such re-adjustment, a Committee of three persons would be appointed by the Government with authority to investigate the position and submit recommendations which then would be automatically imposed upon the Society.

The Dominion Act also gave the Fraternal societies until 1925 to make a re-adjustment, and if the re-adjustment was not made by that time the license was to be cut off and the Society go into liquidation. Under amendments to this Act which came into force on Jan. 1st, 1920, it became necessary for all foreign Fraternal societies then transacting business in Canada under Provincial licenses to obtain Dominion licenses in order to continue new Insurance in Canada. Of the 16 Societies then transacting business ten received the necessary licenses as follows:

The Ladies' Catholic Benevolent Association.
The Maccabees.
Royal Arcanum.
Women's Benefit Association of the Maccabees.
Catholic Order of Foresters.
The Workmen's Circle.
The Knights of Columbus.
Association Canado-Americaine.
The Western Mutual Life Association.
The Knights of Pythias.

At the beginning of 1921 the Fraternal record in Canada showed, for the preceding year, $17,050,791 of new policies (gross) issued under Provincial license with net premiums of $3,736,822, net claims paid of $3,652,824 and net Insurance in force of $202,758,305; under Dominion license the new Policies issued (gross) were $3,836,800, the net premiums received were $647,059 and the net claims paid $567,193, the net Insurance in force was $57,107,001. Many facts as to these organizations were discussed at the Convention of the Canadian Fraternal Associations held at Montreal on May 13-14, with Ald. J. A. A. Brodeur in the chair; George P. Kirby, President of the National Fraternal Conference of America, was present. The delegates numbered 100 representing 22 Societies with a total membership —chiefly in the United States and Canada—of 1,250,000, funds of $130,000,000 and Insurance in force totalling $1,000,000,000. It may be noted that the National Fraternal Congress of America at Chicago an Aug. 29, received a Report showing 88 Societies with a total membership of 4,801,148 at the beginning of 1921, Insurance in force of $5,467,846,829 and Benefits of $64,301,459 paid out during 1920. The following official statistics shows the business of Fraternal Societies in Canada for the year 1920:

Name	Total Assets	Liabilities	Income	Disbursements
Alliance Nationale	$4,718,617.93	$4,313,960.52	$926,457.18	$608,429.51
Ancient Order of Foresters	1,771,412.22	644,371.98	279,088.67	95,902.60
La Societé des Artisans Canadiens-Francais	5,262,484.85	5,150,916.60	1,271,260.60	709,666.76
Association Canado-Americaine	31,562.04	184,148.96	70,442.56	48,319.07
Catholic Mutual Benefit Association of Canada	899,373.03	787,583.75	318,862.59	227,533.60
Catholic Order of Foresters	16,759.62	6,524,973.58	470,756.24	426,382.29
Commercial Travellers' Mutual Benefit Society	194,790.01	190,765.53	59,039.60	38,866.68
Independent Order of Foresters	44,254,969.01	43,492,034.85	5,363,778.05	4,973,022.62
Jewish National Workers' Alliance of America	16,736.77	8,745.27	7,805.72	1,443.95
Knights of Columbus	32,864.44	256,918.00	110,471.14	53,683.01
Knights of Pythias	37,062.17	103,657.80	35,691.84	16,508.96
Ladies' Catholic Benevolent Association	11,019.44	25,266.89	8,833.49	3,251.84
The Maccabees	215,031.89	1,958,495.86	323,231.50	331,343.00
Royal Arcanum	95,481.28	398,308.00	186,928.54	128,790.77
Royal Guardians	678,651.99	520,088.71	144,600.21	97,168.64
Western Mutual Life Association	77,050.00	82,711.63	96,438.16	56,741.71
Women's Benefit Association of the Maccabees	25,249.10	161,261.39	32,398.33	25,470.36
Canadian Order of Woodmen of the World	1,143,982.82	986,149.02	215,411.39	116,843.44
Workmen's Circle	23,407.01	71,707.00	18,997.95	7,903.51
	$57,801,689.03	$65,217,693.36	$9,661,405.09	$7,871,359.72

The chief of these organizations was the I. O. F. Its business was a growing one in membership with 8,217 initiated in 1918, 14,645 in 1919 and 16,165 in 1920; the Benefits paid, however, showed a reduction from $4,568,863 to $4,352,935 in 1919 and from $4,161,544 in 1920 to $3,784,796 in 1921. The Order in 1917 had to face serious losses through bad investments or rather investments which war conditions had depreciated; in that and the succeeding year the management marked down its pre-war industrial and public utility securities to new values and its annual balance sheets then were based upon the market value of securi-

ties. The policy of the Order was changed so that new investments were confined to Government and municipal securities and first mortgages on improved real estate. In 1921 over $800,000 of government and municipal bonds were purchased. The general meeting of this latter year reviewed the work of the previous four years, re-elected the management and re-affirmed the investment policy laid down in 1917. The following officials were elected—in the case of Mr. Hunter, to a second four-year term:

Supreme Chief Ranger	W. H. Hunter, B.A.	Toronto
Past Supreme Chief Ranger	Victor Morin, B.A., LL.B	Montreal
Supreme Vice-Chief Ranger	Frank E. Hand	Los Angeles
Supreme Secretary	George E. Bailey	Antwerp, N.Y.
*Supreme Physician	Thomas Millman	Toronto
Supreme Treasurer	G. R. Cottrelle	Toronto
Chairman, Medical Board	C. B. Dickson, M.D	Los Angeles

At this annual Convention of the Order in Toronto (Aug. 24-25)—attended by delegates from 46 High Courts in Great Britain and Ireland, the United States and Canada—the Supreme Chief Ranger, W. H. Hunter, stated that Life Insurance was but one of the ways adopted by the Order to carry out its objects, which, chiefly, were to unite the members in a fraternity, and in that fraternity to undertake such benevolent work and to give such aid and benefits to its members as were marked out in the constitution and laws. The Report of the Supreme Treasurer, G. R. Cottrelle, showed receipts in the four years 1917-20, inclusive, as totalling $30,986,685; the Reserves were placed at $41,967,175 and the Surplus of Assets over Liabilities at $652,000. The Supreme Secretary reported on Dec. 31, 1920, 3,215 subordinate courts and 176,141 members with a continuous increase during 1921 to date; the Supreme Physician reported for 1917-20 51,400 applications for membership as accepted, with Insurance amounting to $49,389,750, deaths totalling 9,729 and a death rate of the Order in the past 28 years of 8·50 per 1,000—for women, alone, the death rate in 1920 was 8·35 per 1,000. During the 4-year period 38,796 sick claims were approved, and $972,736 were paid.

Provincial Chief Rangers of the I. O. F. in 1921.

Alberta	D. McManus	Edmonton
British Columbia	C. D. Gillanders	Vancouver
Manitoba	H. J. Johnston	Winnipeg
New Brunswick	Lieut.-Col. G. W. Mersereau	Doaktown
Nova Scotia	G. J. McNally, M.D	Berwick
Central Ontario	Colonel W. Wallace	Toronto
Eastern Ontario	R. S. Graham	Kingston
New Ontario	Dr. E. B. Oliver	Fort William
Western Ontario	E. O. Zimmerman	Hamilton
Quebec (Comp.)	Mrs. E. R. Gagnon	Montreal
Quebec	V. Martin, M.D	Quebec
Quebec (Montreal)	Henri Rochon	Montreal
Quebec (South)	J. O. Moreau	St. John, Que.
Saskatchewan	F. J. Vollmer	Moose Jaw

Another important body was the Canadian Order of Foresters which, in 1921, claimed to have paid over $16,000,000, in its

*Note.—Dr. Millman died on Nov. 15 after holding his position for 38 years.

41 years of operation, to its members and dependents, and to have had an average death rate of 6·05 per 1,000 since inception with Funds totalling $6,000,000 invested in Canadian and British securities only. At the 42nd annual meeting of its High Court, Niagara Falls, June 15-16, there were 300 delegates present and J. A. A. Brodeur of Montreal was elected for the third time as High Chief Ranger with A. P. Van Someren of Brantford as High Secretary. Incidents of the year included validation by the Ontario Legislature of the action taken by The Sons of England Benefit Society in reducing the value of beneficiary certificates of members who joined prior to Jan. 1, 1915, on the ground of insufficiency of assessments paid by those members; the statement at the Convention in Toronto of the Ancient Order of United Workmen that there were 10,500 members of the Order in Ontario, that its general situation had never been so satisfactory with a reserve surplus at the end of 1920 of $1,504,827—R. G. Graham of Ottawa being elected Grand Master; the Convention of the Province of Quebec Order of Catholic Foresters (Montreal, June 15) with E. J. Brossard re-elected as Grand Master, and the financial Convention of the Ancient Order of Foresters at Hamilton (Aug. 23) when 130 delegates were present and the Canadian jubilee of the Order was celebated.

Fire Insurance Interests of Canada. The Fire loss in Canada continued to grow in these years and to increase the Insurance hazard. According to the Commission on Conservation statistics there had been a total loss from Confederation to 1917 of $350,000,000 exclusive of Forest losses; an expenditure of $150,000,000 in maintaining Fire insurance and the payment of $197,000,000 for Fire insurance over and above the sums returned for losses. During the four years 1912 to 1915 the average annual Fire loss was $21,000,000; in 1916 it was $25,000,000 and in the next three years averaged $27,000,000. The losses in Canada during recent years, apart from forest fires, and with a population of about 7,000,000 were considerably higher than in the United Kingdom with its 45,000,000 people; *per capita* in 1917, according to figures compiled by the Toronto *Financial Post*, it was 64 cents in Great Britain, 74 cents in France, $2.26 in the United States and $4.01 in Canada.

Forest fire-losses ran, in addition, from $8,000,000 to $15,000,000 though this estimate could only be approximate. Good work in prevention was, however, under way and in Ontario the Fire losses decreased from 16 to 11 million dollars between 1916 and 1920. In an Ottawa proclamation by the Governor-General issued on Sept. 23, 1921, and appointing Oct. 9-15 as Fire Prevention Week, it was stated that reliable statistics showed that at least 80 per cent. of fires originated either directly or indirectly through inexcusable ignorance and neglect and were, therefore, preventable and that the exercise of reasonable prudence

and proper carefulness on the part of responsible individuals would reduce losses by fire in Canada to the comparatively insignificant proportions of losses in other countries. G. F. Lewis, Assistant Fire Marshal of Ontario, told the Rotary Club, Toronto (Oct. 7), that:

> 64 per cent.—or practically two out of every three—of fires occur in our homes, and are caused by bad housekeeping, accumulations of litter, faulty construction, or careless habits. The great bulk of the loss is due, however, to fires in factories and stores, with dwellings and farm barns running in third and fourth places. Our Fire losses in Canada, on a *per capita* basis, are 10 times greater than the average of the five principal European countries in normal times, the Insurance premiums in Canada are approximately five times more than the English rates, and our fire waste is about five times as great on a *per capita* basis.

It may be added that during 1920, Canada's fire loss in property destroyed amounted to $27,800,000, in addition to which about $29,000,000 was paid in Insurance premiums over and above the amount returned to policy holders. Interest and upkeep of waterworks for Fire protection represented an annual expenditure of $6,200,000 while Fire departments, including interest on capital invested in equipment, maintenance, etc., called for $7,640,000 more. Private fire protection, which was a rapidly growing form of insurance against fire loss, entailed a yearly cost, principally upon business interests, of $6,350,000. With all this total of $73,990,000, as the 1920 cost of fires and protection, the lack of interest by the general public in fire prevention was very great, though it was practically paying a tax of $9.25 *per capita,* or for an average family of five, $46.50. The *Monetary Times* estimate of fire losses in Canada for 1921 was $29,987,510 —the 67 larger fires ranging in losses from $100,000 to $750,000 each. Cecil S. Wainwright, Secretary of the Western Asurance Co., estimated the total at $31,000,000.

In addition to the ordinary house and industrial losses and occasional conflagrations were those from Forest fires. In Canada during 1921 there were very considerable fires of this nature. Around Prince George, B.C., and up and down the Grand Trunk Pacific lines in that Province during May; around the village of Villeray, Quebec, during June, and in the Abitibi region of Northern Quebec in July; throughout many sections of Northern Ontario and along the T. and N. O. Railway, also in July; on Cape Breton Island, N.S., sweeping over the hamlet of Newhaven and down to the coast at Neil's Harbour late in July; in various parts of New Brunswick—including St. John, King's, Queen's, Charlotte and Kent Counties and entailing large lumbering losses while destroying three villages, late in July and early in August; near the village of Aylmer, Quebec (Aug. 11) and sweeping over and beyond it with tremendous rapidity; over a hundred square miles of Arctic area near Fort Norman on the Mackenzie and Carcajou Rivers late in July; in a wide area of

Northern Alberta, chiefly during May and October, and covering large areas of forest and more or less settled country—altogether these fires caused damage hard to estimate and a lasting loss, much greater than the immediate one.

There were strong efforts made to combat the evil. The Firemen's Association of Ontario and those in other Provinces did continued service; the Ontario Fire Protection League of which Arthur Hewitt, Toronto, was President, did splendid work in popular education; the Dominion Fire Prevention Association, which met at Ottawa in Convention on Sept. 23, re-elected W. H. Shapley, Toronto, as President and G. D. Finlayson, Ottawa, as Secretary was a vigorous organization. It passed Resolutions warning smokers of the danger of carelessness, urging larger Government support to prevention organization, denouncing the inferior forms of matches made in Canada and urging an investigation of national fire hazards. The Pacific Coast Association of Fire Chiefs met at Victoria on Sept. 27 and James Smart, President of the Dominion Fire Chiefs' Association, addressed the Convention, which took action along the line of preventing over-insurance of property, discussed the relation of Fire insurance to Fire prevention and of building safeguards and debated the risks of gravity feed systems for coal-oil stoves and the air-pressure of gasoline feed systems, etc. Preventive legislation was passed in Ontario, New Brunswick, and British Columbia during the year.

During 1921 Canadian Fire, as well as Life, insurance shared in the re-action from war-time activities and post-war inflation. In the Fire business there was a considerable contraction in volume and, also, an expansion in the losses incurred. Exact figures are not available at the time of writing but G. D. Finlayson, Dominion Superintendent of Insurance, stated* that the total Fire and Casualty premiums reported to the Department for taxation during the first nine months of 1921 amounted to $55,065,890 compared with $56,504,368 for the corresponding period in 1920; that the reduction was greatest in the third quarter of the year, and it would, therefore, not be surprising if the figures for the entire year showed a decrease of at least 10 per cent. As eventually published the Fire losses of the year 1921 were $45,615,930. The influx of British and Foreign fire companies into Canada continued during the year and included the Caxton Insurance Co., the Autocar Fire and Accident Insurance Co., the Patriotic Assurance Co., the British Oak Insurance Co., and the United British Insurance Co. of Great Britain; the Pacific Fire Insurance Co., the N. Y. Reciprocal Underwriters, the Individual Underwriters and the Security Insurance Co. of New Haven, U.S.; the Urbaine Fire Insurance Co. of France.

*Note—Statement in the *Financial Post*, Toronto, Jan. 6, 1922

During 1921, also, substantial reductions in Fire insurance rates became effective in British Columbia and, later in the year, in several cities of Ontario; they were made by the Companies voluntarily in recognition of favourable loss ratio or increased protection from fire. A continued development of this year was the reluctance of Canadian capital to go into or remain in Fire insurance Companies. In 1909, according to the Dominion Superintendent of Insurance, there were 21 Canadian stock companies doing business, and all but three were owned by purely Canadian capital; on Dec. 31, 1919, of the 33 stock companies licensed for Fire business, 16 were owned or controlled by companies other than Canadian; during 1920 at least three more joined the majority. The underwriting profit of Canadian companies at this time was 8·37% of cash premiums, and for all companies 8·53% and this, apparently, was not sufficient to attract capital to the Fire business. The following were the official Dominion figures of Fire insurance for the year 1920:

Companies	Net Cash received premiums	Net Amount at risk on Dec. 31, 1920	Net Amount of losses incurred during year	Net Amount paid for losses
Canadian Companies.....	$7,992,418	1,112,748,411	$3,287,170	$3,206,439
British Companies.....	25,325,678	3,002,755,482	11,260,879	10,954,885
Foreign Companies.....	17,247,760	1,855,826,379	8,383,080	7,783,790
Totals for 1920.....	$50,565,856	$5,971,330,272	$22,931,129	$21,945,114
Totals for 1919.....	$40,031,474	$4,923,024,381	$16,778,373	$16,679,355

Provincially the Dominion Superintendent issued the following figures for 1920: Alberta, net premiums written $3,983,-076, net losses incurred, $1,374,450; British Columbia, net premiums written $5,470,568, net losses incurred $1,655,671; Manitoba, net premiums written $4,235,484, net losses incurred $1,-735,975; New Brunswick, net premiums written $2,812,096, net losses incurred $1,862,803; Nova Scotia, net premiums written $2,958,370, net losses incurred $2,061,658; P. E. Island, net premiums written $238,610, net losses incurred $84,291; Quebec, net premiums written $12,460,374, net losses incurred $7,098,162; Saskatchewan, net premiums written $4,346,405, net losses incurred $7,098,162.

Incidents of 1921 included a considerable reduction in the rates of Fire insurance in effect at Toronto on all classes of houses and household furnishings—it was authorized on Dec. 16 and totalled about 15 per cent.; the continued organization in the Western Provinces of (1) the Northwestern Mutual Fire Association of Seattle, Washington, operating under the auspices of the Retail Merchants' Association of the various Provinces, and (2) a group of hardware mutuals of Minnesota and Wisconsin, operating under the name of the Hardware and Implement Underwriters' Agency. These concerns wrote retail risks and particularly hardware, implement and garage risks, operated direct with the assured and promised to save their

policyholders from 35 to 50 per cent. in their Insurance rate. Other incidents were the claim of the Fire Companies that their taxation was becoming too burdensome—varying in the Provinces from 1 to 2 per cent. on net premiums, 2 per cent. on gross premiums with other special taxes and, over all, a Dominion license fee and tax; the vigorous protest of the Canadian Manufacturers' Association against a proposed Dominion tax of 15 per cent. on unlicensed Fire insurance written in Canada—chiefly because of the value of such competition in reducing rates; the decision of the Ontario Superintendent of Insurance (Evan Gray), following upon the Report of Mr. Justice Masten, to recommend legislation limiting the remuneration that could be paid to Insurance agents throughout Ontario to an amount not exceeding a flat rate of 15 per cent. of the premium on all classes of business.

This proposal and similar suggestions in other Provinces were vigorously opposed by many Insurance men as being class legislation, as a hardship to deserving agents, as savouring of Government control and opposed to the operation of the law of supply and demand. On the other hand, it was contended that the current expense ratio per premium was too high and was gradually increasing—the profit per cent. of cash premiums being only 5·48 of an average over a 50-year period; it was stated by the Dominion Superintendent that agents in the larger centres received rates of commission from 5 per cent. to 10 per cent. in excess of rates paid in smaller places. The Canadian Fire Underwriters' Association met in Montreal on Feb. 15 with Lyman Root, President, in the chair, and declared by Resolution on this point (1) opposition to Mr. Evan Gray's specific proposal; (2) readiness to continue its effort to arrive at an agreement satisfactory to all the Companies; (3) opposition to any legislation dealing with the rates of commission payable by companies. In British Columbia the Provincial Fire Insurance Agents' Association met at Victoria on Oct. 6-7 and discussed with J. B. Daugherty, Superintendent of Insurance, certain Government proposals as to licensing of agents—G. L. Schetky of Vancouver was elected President. The Western Canada Fire Underwriters' Association, of which A. W. Blake, Winnipeg, was President, announced its objects as including: (1) The fixing of equitable rates of fire and tornado insurance; (2) the regulation of policy wordings; (3) the regulation of compensation for business; (4) the regulation of agency appointments.

Important Insurance Appointments of 1921.

Company	Position	Name	Location
Western and British America Insurance Co.	Director and Vice-President	Wilfrid M. Cox	Toronto
Western and British America Insurance Co.	Assistant General Manager	E. F. Garrow	Toronto
British America Assurance Co.	Secretary	C. S. Wainwright	Toronto

Company	Position	Name	Location
North British and Mercantile Insurance Co.	Manager for Canada	C. A. Richardson	Montreal
Occidental Fire Insurance Co.	President	C. A. Richardson	Montreal
Excelsior Life Insurance	Director	Hon. J. L. Perron, K.C., M.L.C.	Montreal
Northern Life Insurance	General Manager	R. C. MacKnight	London
Sovereign Life Assurance	Director	W. H. Carter	Winnipeg
Metropolitan Life Insurance Co.	Supt. of Agencies for Canada	Geo. Doyon	Ottawa
Confederation Life Association	Director	R. S. Waldie	Toronto
Sun Life Insurance Co.	General Manager of Agencies	Hon. J. C. Tory, M.L.A.	Montreal
Monarch Life Assurance	Supervisor of Agencies	M. B. Farr	Winnipeg
Mutual Life Assurance Company of Canada	Director	C. Vincent Massey	Toronto
Mutual Life Assurance Company of Canada	Executive Committee	Maj. Gen. S. C. Mewburn, C.M.G.	Hamilton
Mutual Life Assurance Company of Canada	1st Vice President	R. O. McCulloch	Galt
Western Life Assurance	Director	R. H. Hamlin	Winnipeg
Confederation Life Association	Manager for Nova Scotia	W. P. Moore	Halifax
Confederation Life Association	Medical Director	Dr. E. M. Henderson	Toronto

Miscellaneous Forms of Insurance. The growth of such forms of Insurance as Accident, Automobile, Burglary, Employers' Liability, Guarantee, Hail, etc., was slow but steady between the years 1900 and 1919; in the former year there were few of them in existence in Canada; in 1919 the total premiums received ran up to $15,000,000 and the losses to half that amount. Employers' Liability Insurance was greatly affected by the growth of Workmen's Compensation laws; Hail insurance had begun to develop in 1915 and rose from $744,333 of premiums and $402,216 of losses to $5,796,502 of Premiums and $2,370,932 of losses in 1920; Burglary insurance was very small up to 1915 when it totalled $91,885 in premiums and $24,007 in losses, but in 1920 the respective totals were $690,079 and $411,813.

Unemployment insurance was much discussed in after-war years and the Report of the British Agricultural Wages Board, published early in 1921 and following upon a wide National experience of the policy, stated as to its extension to agriculture that: "(1) There is general opposition, both by employers and workers, to such inclusion under the Unemployment Insurance Act 1920," and that (2) there was no evidence of any general agreement such as would be necessary for the consideration of a voluntary scheme outside of that Act, and independent of State aid. At the close of 1920 Great Britain had extended its system of compulsory unemployment insurance to include 12,000,000 workers, or two-thirds of the entire number of employed persons, and nearly one-fourth of the entire population; at the same time the benefits had been increased, and the weekly cash payments more than doubled. During 1921 conditions improved somewhat and on Feb. 23 360,000 men and 250,000 women were drawing benefits, and nearly as many more part-time benefits; the Fund still held £20,000,000 and the total Government donations of this kind from 1918 to 1921 had run to £40,000,000. The

system had not yet commended itself to Governments in Canada or the United States though the Canadian Minister of Labour (Senator Robertson) stated in the Senate on Feb. 24 that a plan was under consideration.

Automobile Insurance grew greatly in these later years and the Premiums exceeded $5,000,000; with such constant liability to accident, and actions for damage, they might well have been larger. The Canadian Automobile Underwriters' Association met at Ottawa on Nov. 28-30 with delegates present from three Western Associations, which had become affiliated, and elected W. T. Perry President and J. H. King Secretary. Several companies obtained Dominion license during the year to transact Burglary Insurance; a number of Companies in Montreal refused mercantile open-stock Burglary insurance unless merchants fitted their premises with electric protection. It was stated by the Montreal *Financial Times* (May 7) that two of the largest institutions in that city had recently taken out Insurance against loss covering all the business transacted by their Foreign departments.

Compulsory Health Insurance was seriously discussed in British Columbia; at the same time, it was asserted that the States of Maine, Connecticut, Illinois, Wisconsin, Minnesota and California had refused, after careful consideration, to enact such a law. Another new form of Insurance in this year was that against loss of Profits caused by Fire under certain conditions. Industrial Insurance continued to grow and was largely in the hands of the Metropolitan Life Insurance Co. of New York, which claimed to have $407,757,217 in force from Canada and to have placed $123,016,735 in 1920 with Investments in Canada totalling $62,000,000. Weekly Premiums and protection for all the members of a family were the distinctive features of this Insurance. The total of Premiums received on all these Dominion and Provincial forms of miscellaneous Insurance were, in 1920, $25,899,023 and the Claims paid $12,168,252. Omitting very small figures for Explosion, Funeral, Forgery, Live-stock, Sprinkler-leakage, Steam Boiler, Tornado and Weather, the totals were as follows:

	New Premiums Received			Claims Paid		
Class	Dominion	Provincial	Total	Dominion	Provincial	Total
Accident; Sickness Fraternal Accident	$3,414,372	$250,013	$3,664,385	$1,492,050	$137,384	$1,629,434
Automobile	5,264,897	109,720	5,374,617	1,149,364	49,992	2,733,752
Burglary	481,019	14,005	495,024	203,983	7,232	211,215
Liability	3,162,518	165,626	3,328,144	1,542,198	104,713	1,646,911
Guarantee	1,272,514	46,092	1,318,606	178,194	7,670	185,864
Hail	5,800,026	726,090	6,526,116	2,377,799	228,616	2,606,415
Inland Transportation	423,663		423,663	222,720		222,720
Plate Glass	690,476	138,425	828,901	409,393	69,650	479,043
Sickness (Fraternal)		709,661	709,661		558,898	552,898
Sickness	1,575,548	5,983	1,581,531	1,074,032	2,825	1,076,857
Sickness and Funerals combined (Fraternal)		389,006	389,006		193,347	193,347

Deflation of Prices in 1921; National Influence of this Condition.

The question of lower prices and the cost of living was, during this year, fundamental to all the processes of deflation and changes in financial or industrial conditions—the United States situation in this respect affected every turn of the tide in Canada. The net increase there in the cost of living from the beginning of the War to November, 1920, had been 63 per cent. The rise in cost of the major items in a wage-earner's family budget during this period was estimated to have been as follows: Food, 52 per cent.; Shelter, 69 per cent.; Clothing, 61 per cent.; Fuel and light, 79 per cent.; Sundries, 78 per cent.* In Canada, according to the Dominion Department of Labour, the changes in cost, by groups which included Food, Fuel, Rent, Clothing and Sundries, over the year 1913, was 61 per cent. in December, 1918, and this rose during the period of after-war inflation to 79 per cent. in December, 1919, and 101 per cent. in July, 1920; then deflation commenced and in March, 1921, the increase fell to 77 per cent., in June, 1921, to 63 per cent., and in December to the actual total of the War increase—61 per cent. over 1913 prices.

The peak in cost of living and high prices was reached in the United States at the same time as in Canada. The items thus defined as going into the cost of living were, however, not all that were involved in prices of production and costs of commerce. There also were divergencies between wholesale and retail falls in price as there had been in the increases; there were differences between Canada and the United States when details were considered. In Canada, according to the Department of Labour, wholesale prices of all products declined between March, 1920, and September, 1921, 34·7 per cent.; in the United States (to June, 1921) according to Bradstreets, the decline was 49·1 per cent.; in Great Britain, to September, 1921, it was, according to *The Statist*, 43·8 per cent. In retail prices the Retail Merchants' Association of Canada undertook a thorough investigation of prices in 1920 and 1921, as charged at retail stores throughout the country, and reported at the close of the latter year the following decreases:

Product	Decline	Product	Decline
Groceries	44·49	Men's Wear	28·8
Furs	37·3	Boots and Shoes	26·3
Dry Goods	31·6	Merchant Tailors	20·8
Hats, Men's	31·25	Confectioners	17·8
Ladies' Wear	30·9	Butchers	15·0
Clothiers	29·16		

In Canada the deflation in Agricultural crops had gone far by the beginning of 1921; Index numbers issued by the Department of Labour showed a decrease in 1919 and 1920 from 343·5 to 234·7 for wheat alone and for all field crops from 252·7 to 204·9.

*Note.—Report by the National Industrial Conference Board, New York.

All classes of farm products, however, continued to fall in 1921 and food supplies decreased to the consumer proportionately. A vivid illustration of this condition was given by the Toronto *Globe* on May 19 as taken "from the window of a large down-town store" and in connection with the fact that a year before 100 pounds of granulated sugar had cost $22.00: "The same sum to-day will buy 100 pounds granulated sugar; a 24-pound bag of flour; 14 pounds cornmeal; 14 pounds rolled oats; 1 bag potatoes; 5 pounds onions; 8 pounds carrots; 6 pounds rice; 2 pounds butter; 2 pounds tea; 2 pounds coffee; 2 pounds cheese; 2 dozen eggs; 2 tins peas; 2 tins corn; 4 tins tomatoes; 1 pail plum jam; 1 pail marmalade; 1-pound tin shortening; 2 pounds prunes; 10 cakes of soap." During much of this year prices ranged a little higher in Canada than in the United States; in May the general level of wholesale prices as against May, 1920, was 46·2 per cent. lower in the United States (Federal Reserve Board) 37·4 per cent. in Great Britain, according to *The Statist*, and 30·4 per cent. in Canada. John Wanamaker, in one of his advertising statements in the *New York Times*, gave a list of his prices in certain lines at these two periods as follows:

Articles	Prices, May 1st, 1920	Prices, May 1st, 1921
Women's Coats	$75.00 to $135.00	$48.00 to $98.00
Women's Blouses	8.75 to 25.00	5.75 to 15.00
Women's Hosiery, (all silk)	3.50	2.75
36-inch Taffeta, Silk and Satin	3.95 to 5.50	1.95 to 2.50
31-inch White Broadcloth Silk	3.00	1.55
Women's Low Shoes	10.00	4.75
Men's Low Shoes	14.00	7.85
Velvet Carpet, Yard	4.50	2.50
Bed Blankets, pair	13.00 to 20.00	9.00 to 12.75
Men's Suits	60.00 to 115.00	35.00 to 70.00
Men's Silk Shirts	10.00	6.50

In June a further price-reducing wave swept over the United States, and in Canada reductions continued upon a more moderate scale—influenced in both countries by curtailment of exports, the tremendous fall in agricultural products and continued depreciation of European currencies. At the close of the year prices in Canada were still from 50 to 60 per cent. above pre-war rates, but there were distinct evidences of stabilizing conditions and of cessation in the persistent deflation of past months; there were even slight indications of recovery and advance in Canada and the States though the decline continued in Great Britain to a moderate degree. Taking Canadian prices by wholesale figures* over a range of 40 commodities the following table illustrates very clearly the tremendous change in conditions during this year:

Month, 1921	Index No.	Per cent. decrease	Month, 1921	Index No.	Per cent decrease
January	212.6	4·	July	167.0	1·7
February	197.8	6·4	August	165.4	·9
March	190.0	3·9	September	164.4	·6
April	186.4	1·8	October	161.5	1·7
May	176.8	4·6	November	160.0	·9
June	169.8	3·9	December	161.9	1·2

*Note.—Compiled by Prof. H. Michell of McMaster University, and published in Toronto *Globe*, Jan. 2, 1922.

Incidents in the process of price-cutting were many and varied. Hotels and Restaurants withstood the process for a long time though C. P. R. dining-cars made a 25 per cent. cut early in the year and a further reduction on June 1st; in September it was announced that C. P. R. Hotels would, on Oct. 1st, reduce their meal rates by 15 per cent. The change was not uniform, however, and in the United States the Rubber Association of America issued a circular in October declaring that "the entire system of sales by travelling salesmen is actually threatened by the present high hotel, sample room, transportation, sleeping-car and excess baggage charges." It was claimed that hotel men had not reduced their prices to conform with the general decline in all commodities, and in proof of this tables were given of reductions in wholesale prices of products and articles forming part of the essential supplies required by these institutions. The dates given were May, 1920, to May, 1921, and conditions were not dissimilar in Canada—the Toronto *Globe* of Oct. 11 declaring that hotels in Canada were justified in increasing rates during war-time, but that few of them had made reductions to correspond with what might be called the cost of production. Some of the figures of reduced Hotel costs as given may be specified here:

Article	Per cent.	Article	Per cent.
Flour	50	Labour	20
Potatoes	75	Sugar	70
Lamb	40	Beef	33
Eggs	40	Coffee	50
Tea	20	Fruits	70
Lard	50	Soap	25
Butter	50	Towels	40

In November Montreal restaurants announced a reduction of from 15 to 20 per cent. and in other cities there had been varying but usually slight reductions—the higher-class places maintaining high prices pretty generally throughout the year. Sugar and candy dropped steadily in price and woollen goods were cut in half by manufacturers and wholesalers; coal kept up till about the close of the year, but there was a gasoline reduction of two cents in April and again in August; meat prices fell but not in correspondence with the fall in cattle prices which, during February, reached pre-war levels at the Toronto stockyards; milk was reduced generally and so was bread; lumber prices were reduced during February and by April had almost reached the pre-war level *plus* the 50 per cent. increase in freight rates, while building costs remained away up as the result of wage rates where no deflation would be accepted; newsprint fell from an average of $130 a ton by about 30 per cent. to September, 1921, One cost of living item which persisted in high charges up to the end of the year—as a result, probably of the high cost of building—was apartment and house rentals. By the end of 1921 prices of products generally were steadying, money was getting cheaper, the Bank of England and U. S. Federal Reserve rates had recently been reduced and the industrial situation, generally, was clearing.

INTERNATIONAL RELATIONS
OF
CANADA

The National Status of Canada: Discussions and Environment of the Issue.

Interjected into the storm-tossed seas of international controversy during the three years ending in 1921, was the question of the National and international rights and status, the constitutional claims and demands, of Canada and other British Dominions. It was discussed at the Versailles Conference. it held a place in the League of Nations' creation and Convention, it found voice in the Supreme Council at Paris and its sittings in London or elsewhere, it had conspicuous place in the Geneva Conferences of the League of Nations, it was discussed during the United States Presidential Elections of 1920, it dominated the Imperial Conference of 1921, it was involved in the creation and proceedings of the Dis-Armament Conference at Washington.

The International importance of this issue, which was first raised by Sir Robert Borden in 1919 at Versailles and afterwards pressed by Mr. Meighen at the 1921 Conference in London, was based upon the vital relationship of British power to the peace and reconstruction of the world, the position of the Dominions in that combination of nations which made up the British Empire, the fact that, so far, on all great and fundamental issues, the British countries had stood together as one, the additional fact that in requests or demands made by Canada or any other British Dominion, there was, usually, behind them the vast strength and *prestige* of Great Britain. There was, also, the proposal to appoint a Canadian Ambassador at Washington.

To European and American statesmen who did not understand or believe that National pride and self-assertion could possibly live and operate with Imperial unity and action, the whole issue looked like a gradual and graduated effort toward separation and independence. They regarded the movement much as their sympathies or dislikes led them to regard Great Britain and British power in general—in the one case with hope that it might widen the bounds of liberty without destroying unity, and in the other case with assurance that it would eventually lead to separation and would, meanwhile, divide British counsels and weaken British power. As to the Empire itself, careful thinkers and publicists in Great Britain and in the Dominions were somewhat divided in view; many believed that the greater the liberty the stronger would be the unity; others feared the outcome as involving independence and republicanism under the disguise of gradual development.

While this movement was going on abroad, while Canadian political leaders were discussing Canada's status in the capital of

the Empire and at internatonal gatherings, Canadians were not at all disturbed or alarmed. Only a few of the newspapers discussed the issue seriously and they sometimes mixed up their phraseology so that it was difficult to understand what was meant, either from a constitutional or a patriotic point of view—as when the Manitoba *Free Press* (Aug. 13) referred editorially to Canada asserting its position as "an independent Sovereign State within the British Empire." Parliament discussed the matter in various forms of academic or theoretical thought as subjects associated with the acceptance of War treaties, or League of Nations affairs, or the Imperial Conference, or Washington Conference matters, or the subject of Titles, or that of Ambassadors, came up. But there was no direct discussion of fundamental issues or conditions as between Imperial relations and responsibilities and International functions and duties. Indirectly, the Japanese issue of the year was at once an illustration of the importance of this large question of national status and an indication of possible Dominion tendencies in Foreign policy. Through and about the whole broad question was the relationship of Canada to the United States and of Australasia toward Oriental nations. Canada was, in fact, taking a place in Foreign affairs without having its place within its own Empire defined to the consciousness of its own people or to the intellectual perception of other nations. The Toronto *Globe* of Aug. 19 had, in this connection, an excellent generalization:

> It is often said that Canada enjoys the status of a nation in all but Foreign relations. But if we look at things rather than forms and names, we discover that Canada enjoys as much independence in regard to foreign relations as many countries which formally rank as independent. The smaller nations of Europe enjoy just as much or as little independence of action as the bigger ones choose to allow. Belgium would probably have been part of France or Germany if one Power had not been jealous of the other and Great Britain determined that Belgium should be annexed to neither. The new States are creations of the Supreme Council representing the strong Powers. But when foreign relations are considered no nation can be said to be independent.
>
> Non-intervention in the affairs of Continental Europe was for some time the policy of a school of British thinkers. But when any single Power threatens to dominate Europe—as France under the first Napoleon, or Germany the other day—Britain feels itself compelled to intervene and to form alliances for self-preservation. Canada took part in the European war, although it had no part in shaping European policy before the War. But the United States, an independent and powerful nation, was in much the same position. It had tried to maintain the tradition of Washington and keep clear of European entanglements; it was not cencerned in any European quarrel; yet it was almost forced to enter the War.

As to Canadian opinion of the situation, it was very largely unexpressed. Extremists on the one side proclaimed all the proposals and trend of the day in controlling, or attempting to control, Foreign policy, or in asserting Canada's position, as being directed toward Independence, and J. S. Ewart, K.C., Henri Bour-

assa and Lindsay Crawford rejoiced accordingly; many Imperialists held much the same view as to final results and deplored current conditions with equal sincerity; the great mass of public opinion was voiceless but with a vague and indeterminate feeling that some working system must and would be found by which Canada and other Dominions could guard their foreign policy without any serious discussion of Independence or separation. Mr. Justice W. R. Riddell, in Toronto, on Jan. 17, declared that conditions under which the self-governing Dominions were associated with the United Kingdom in an all-British League of Nations were not the business of Foreign powers; his views embodied very largely the idea of alliance as the Empire status. The Hon. N. W. Rowell maintained throughout the year his devoted allegiance to the League of Nations and, at Halifax on May 5, defined his aspirations as follows: "The recognition and maintenance of the equality of status of the self-governing nations of the British Commonwealth and the preservation of the unity essential to the strength and security of the whole; the progressive development of our position as an interpreter and mediator in Anglo-United States relations so that Anglo-Saxon nations may co-operate in promoting peace, justice and ordered liberty; co-operation to the measure of our ability in supporting the League of Nations as a most hopeful and practical experiment." During March the *Grain Growers' Guide* of Winnipeg had a series of reviews of Canada's assumed status by Dr. O. D. Skelton, Professor of History at Queen's University, Kingston, which declared in summarized form that the following were essentials in the evolution of Canadian nationality:

1. Formal power to amend our own Constitution.
2. Emancipation from the legal power of a British Parliament to make laws for us, and of a British Government to disallow our own laws.
3. Abolition of the appeal to the Privy Council.
4. Formal recognition of the power to make treaties and appoint representatives abroad, beginning with a Minister at Washington.
5. Consultation with our allies in the Empire through Conferences, not Cabinets.
6. Recognition of the fact that Foreign affairs are not something that can only be discussed abroad, but matters, so far as they concern us at all, to be debated first in our own Parliament or considered in a Parliamentary Committee.
7. Clear evidence to the world that the British Empire of other days is now not one State, but many, by clearing away the ambiguities in International recognition and in Imperial institutions and policy which still remain.
8. No revision of Imperial constitutional relations in the coming Conference without previous discussion and authorization in the Canadian Parliament, and ratification afterward.

Following this period came Mr. Meighen's assertion of Canada's right to intervene in the Japanese Treaty question and to press the contention that abrogation would be wise and right in view, especially, of British and Canadian relations with the

United States; out of this asserted right came the effort to have a Conference of Pacific Powers in London; finally the Washington Conference was evolved. Mr. Meighen went to London with the full intention of discussing Foreign affairs and the Japanese Treaty in particular; during several days these subjects were uppermost in consideration and in cable reports to the United States where more was stated about this development than in Britain or Canada. On June 27 a lengthy Conference debate took place on Foreign policy following Lord Curzon's able and ample review of the world-policy of the British Foreign Office at this juncture. Details were not made public, and the following abstract of the Canadian Premier's principles, as presented, were not published officially nor even referred to in official form. But they were cabled to Canada by Grattan O'Leary, a Canadian newspaper correspondent who had crossed with Mr. Meighen and was understood to be in his confidence; this summary was never denied and was accepted by the press of Canada as accurate. The four points of Canada's current position on Foreign policy were thus given:

1. That on all questions of Foreign policy which more directly concern the British Government, such as matters arising in connection with Palestine, Mesopotamia and the Middle East, the Governments of the Dominions should be kept thoroughly and constantly informed.
2. That upon all questions of Foreign policy affecting the Empire as a whole, the Dominion Governments must be consulted.
3. That the British Government should enter into no treaties or special alliances without consultation with, and the advice of the Dominions, and that all such treaties, even when entered into, be subject to the approval of the Dominion Parliaments.
4. That upon all questions arising as between the United States and Canada, the advice of the Canadian Government should be accepted as final.

In practice, this latter point had long been conceded and acted upon; Canada in effect controlled the Empire's policy in North America as India guided or affected British policy in the East. Mr. Meighen wanted the principle established and put in some concrete form. This was not done though the whole development of the period was along the line of the points so raised. British opinion in the matter was illustrated by Lord Milner's statement (*Times*, June 24): "Incessantly of late years, and with increasing emphasis, Dominion statesmen have claimed a right to have a voice in determining the Foreign policy of Great Britain. Nobody can dispute—nobody, as far as I know, has disputed—the justice of that claim. The only difficulty is to find out how it can be done. It is a purely practical difficulty. There is, as far as I know, no difference of principle." A debate in the House of Commons on June 17 further indicated this attitude and Mr. O'Leary, quoted above, declared in a despatch to the Toronto *Globe* that if there was one thing more than another about the debate which impressed the small group of Canadians

who listened it was that Radicals vied with Unionists, and Labourites with Liberals in emphasizing the "recognition of the Dominions as co-equal partners in a commonwealth of self-governing States."

There were, of course, other and very far-flung views. F. W. Eggleston, an Australian publicist, in the *Quarterly Review* for April, characterized Canada's aggressive action as to Japan and the United States as "the carelessness of irresponsibility". Sir William Irvine, Chief Justice and ex-Premier of New South Wales, declared at Sydney on Mch. 31 that: "The Dominions have acquired no new status since the War, and the principle that Australia, South Africa, and Canada should have completely independent relations with Foreign Powers is mischievous and unsound. The King can speak with only one voice, whether in Cape Town, Toronto, or Sydney. We are one and indivisible in our Foreign relations, and treaties are made between Powers and not between communities." The London *Times* of Aug. 26 stated that the experiment under way was vital and important: "The Dominion peoples will come to understand that the share of their Prime Ministers in the control of the Foreign policy of the group lays upon them the obligation of living as citizens of countries having a definite part in the duty of international consciousness, with all that it involves." The official Australian view as stated by its Prime Minister, Rt. Hon. W. M. Hughes, was explicitly put in *The Times* (Aug. 26):

> We are many and yet we are one, and this Imperial Conference has crystallized this vital doctrine of Empire. As we proceeded to run the gamut of the great questions that were presented for our consideration, each one of us became more and more convinced that our interest, and indeed our safety, depended upon unity, and that this unity in regard to Foreign and inter-Empire affairs was only to be obtained by a frank recognition of the right of all the members of all the great Dominions as well as the Motherland to have an equal voice in the formulation of Foreign and Empire policy.

Mr. Hughes did not think much of the League of Nations and preferred what he termed the League of Empire; he did want the friendliest relations with the United States as a cardinal principle of Empire policy and this, also, was strongly urged by General Smuts, Premier of South Africa. In addressing his Parliament on May 20 the latter said: "In the first place, I consider it necessary not to go in for any policy of antagonism on the Continent of Europe, but for a policy of peace; and in the second place, I think, from a world point of view, the essential policy for the British Empire is to work with America, to secure her co-operation, and in that way to go forward in the very difficult world-task that lies before our Government." On Nov. 1st General Smuts dealt, in an interview, with the question of Dominion representation at the Washington Conference and the fact that the United States' Government had invited only the

British Empire and not its component parts to be represented. He declared Dominion status to be a matter not only "fundamental in the present critical Irish negotiations but also for the future peace and welfare of the whole British Empire," and eulogized the position taken at Versailles, where, "in the British Empire Delegation our individual standing was unquestioned while our team work made us a really effective force"; he described this as "a great precedent settling our international status" and expressed keen resentment at the action of the United States.

On the other hand, the Montreal *Star* had, some time before this (Aug. 11), argued that such an invitation from Washington was impossible: "It is not the business of any Foreign Power to assume that the British Empire is not a unit in its Foreign relations. It would indeed run grave danger of being an offence for any Foreign Power to make such an assumption. If that assumption is to be presented seriously to the world, it must be presented by ourselves. We must demand recognition as a separate nation, and be prepared not only to quaff the heady glory of it, but also, to bear its burdensome responsibility as well." The United States had not, originally, desired to recognize this peculiar international status of the Dominions at Versailles but President Wilson had been compelled to do so by the influence of Great Britain; the Republican party had protested vigorously in the United States against the voting recognition of British Dominions in the League of Nations and this policy was again embodied by President Harding. The New York *Tribune* of Oct. 8 put the issue fairly and, from the Foreign standpoint, very concisely, as follows: "The United States couldn't properly invite the Dominions to sit in the Conference of their own right. Their status with regard to other nations is still somewhat indeterminate, in spite of Mr. Lloyd George's statements at the opening of the recent Imperial Conference in London. The British Government hasn't yet notified the world that so far as international relations are concerned they are independent states."

The general American view of the situation was, of course, natural. The Sovereignty and Independence of Canada, which many writers and speakers thought was coming, involved to their minds the extension of the Monroe Doctrine to Canada, the final elimination of Great Britain from North America, a treaty offensive and defensive between Canada and the United States against Europe (including Britain) and Asia including Japan. Judge D. F. Cohalan of the New York Supreme Court declared in the *Forum* of March that "to-day, with the exception of the flag of Holland covering a small territory, the only remaining one is that of England, and the final extension of the Monroe Doctrine will push England from this Hemisphere. We should now shape events so that there will be no longer in the

New World any European interests or territories." Others considered this movement for the control of Dominion Foreign policy as a part of the wider issues involved in the efforts of a Hertzog, a Gandhi or a De Valera. Apart from this attitude of mind altogether, the issue—if it had really involved separation as so many Americans believed—was a delicate one because they had in the Republic no such system of government as had the British Empire, and no such means of dealing with foreign and colonial problems. There was no United States Foreign Office, no Colonial Office, no trained Diplomacy, no great Civil Service such as that of India; there were constant and increasing demands for absolute independence from Haiti and the Philippines, Porto Rico and San Domingo. It was a difficult development to meet—that of nations within an Empire—and there was no American machinery to apply to their own growing problems.

Sir Robert Borden, whose views were known to harmonize with those of Mr. Meighen, put the situation as follows in addressing the Lawyers' Club of New York on Nov. 3rd: "The voice of the British Commonwealth in world affairs must not be the voice of the United Kingdom alone, but the voice of all the British self-governing nations. This principle has been wholly accepted both in the United Kingdom and in the Dominions. The precise method by which it shall be worked out in actual practice has not yet been fully determined, and it is surrounded with difficulties of undoubted gravity, but not incapable of solution." General Smuts shared this view and in his reference of Nov. 1st to the appointment of Canadians on the British delegation at Washington, instead of separately, declared that: "The Empire will not be represented there in its full authority as a group of States, and the full weight of the Empire will not be exerted." The whole situation and the complicated issues involved were guardedly reviewed by Mr. Lloyd George in dealing with the proposed Dominion status of Ireland in Parliament on Dec. 14, 1921:

> The position of the Dominions in reference to external affairs has been completely revolutionized in the course of the last four years. The Dominions since the War have been given equal rights with Great Britain in the control of the Foreign policy of the Empire. That was won by the aid they gave us in the Great War. It would have been inconceivable that there should have been no representatives of the Dominions at Versailles, or at Washington. A million men—young men, strong, brave, indomitable men—had gone from all the Dominions to help the Motherland in the hour of danger, but, although they came to help the Empire in a policy which they had no share in passing, they felt that in future it was an unfair dilemma to put them in.
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> We acceded to this view gladly. The machinery is the machinery of the British Government—the Foreign Office, the Ambassadors. The machine must remain here. It is impossible that it could be otherwise, unless you had a Council of Empire where you had representatives elected for the purpose. Apart from that you must act through one instrument. The instrument of Foreign policy of the Empire is the British Foreign Office. That has been accepted by all the Dominions as inevitable, but they claim a voice in determining the lines of our policy, and at

the last Imperial Conference they were here discussing our policy in Germany, our policy in Egypt, our policy in America, our policy all over the world, and we are now acting upon the mature and general decisions arrived at with the common consent of the whole Empire. The sole control of Britain over Foreign policy is now vested in the Empire as a whole.

Canada and the League of Nations: A First Essay in Foreign Policy 1920 and 1921.

Canada's share in the Peace Treaty at Versailles was not so much an essay in Foreign affairs as it was participation in a great World Conference as one of Great Britain's partners—called by the Motherland to help in the settlement of vital post-war issues—and acting with her upon a new national footing which was only possible, at that particular juncture, because of British power and *prestige*. As a result of British pressure at Paris and Rome and Washington and Tokio, as well as at Versailles, Canada and the other Dominions were included as national entities in the signatories to the Treaty and in the clauses of the Covenant of the League of Nations. To the work of Sir Robert Borden at the Conference and the enthusiastic support given in Canada by Hon. N. W. Rowell, much individual credit was due.

The first meeting of the League saw a different situation with Canada's representatives acting, as appointees of the King, and with exactly the same powers and rights as the British delegates. Much was hoped from the creation of the League, much was feared, much, in the United States, was suspected. The bringing together of the Allied nations in such a compact—even without the United States and Russia—was a great event, the ultimate adhesion of 51 nations or countries to the Covenant was a wonderful pledge of peace; the greatest preliminary accomplishment of the League in its first year or two of office was the fact of its existence—the actual operation of its Council and Assembly and Secretariat. By the close of its first year the League had 48 States represented in its machinery; an assured yearly income of $5,000,000 and the ownership of its central building and offices at Geneva costing $100,000; a permanent Secretariat with a staff of 200 people under control of Sir James Eric Drummond of Great Britain as Secretary-General, with a salary of $16,000. Sir Herbert B. Ames, M.P., of Canada, was appointed Financial Director of the League. This Secretariat was divided into 10 Sections including Political, Economics and Finance, Administrative, Commissions, a Registry Bureau for Treaties, the Mandate and Legal Sections, and those of International Health and Social Questions.

This organization was the first accomplishment of the League; others may be summarized in the following order: (1) Formation of the International Labour Organization and its various Conferences; (2) the work of the Council as (a) the governing power in the Saar Valley and ruling through an ap-

pointed Commission, (b) as the ultimate and protecting power of the City of Danzig and its territory, (c) as a peace-making force in the Balkans and between Finland and Sweden, and Lithuania and Poland, (d) in the repatriation of 300,000 war-time prisoners; (3) the work of the Assembly, acting as a Congress of Nations under a written constitution, in discussing the policy and operations of the Council and Secretariat, and in planning and organizing the programme of the League; (4) creation of 12 important Commissions including that of the Jurists who drew up a plan for the Permanent Court of International Justice, that of the Dis-Armament Commission, that on Economic Blocade conditions and possibilities, those dealing with Communications and Transport, Finance and Economics, International Credits, International Health and Regulation of Opium and Drug Traffics, the Mandatory Commission, the Revision Committee, the Statistical Commission and that on Deportation of Women and Children in Asia Minor.

Historically, the first meeting of the Council of the League was held at Paris on call of President Wilson (Jan. 16, 1920) with the invitation sent to the Governments of Great Britain, France, Italy, Japan, Belgium, Greece, Brazil and Spain. The Dominions were not represented upon the Council and were not, of course, invited, though in effect they were represented by Great Britain. Those present were M. Bourgeois, Lord Curzon, Baron Matsui (Japan), M. da Cunha (Brazil), Premier Venizelos of Greece, Senor Ferraris for Italy, Senhor Quinones de Leon for Spain and M. Hymans for Belgium. The first meeting of the Assembly of the League was held at Geneva on Nov. 15, 1920; up to this time 9 Council meetings had been held in Paris, London and Brussels. At the Assembly meeting 41 nations were represented and M. Hymans was chosen President. Amongst the Delegates were Arthur J. Balfour, Rt. Hon. G. N. Barnes and Rt. Hon. H. A. L. Fisher of Great Britain; Lord Robert Cecil representing South Africa; Sir G. E. Foster, Rt. Hon. C. J. Doherty and Hon. N. W. Rowell of Canada; Senator Millen for Australia, and René Viviani and L. Bourgeois, France; Sir James Allen for New Zealand; President Morta, Switzerland; Viscount Ishii and Baron Hayashi, Japan; Hjalmar Banting, Sweden; H. A. Van Karnebeek, Holland; Edouard Benès, Czecho-Slovakia; Antonio Huneus, Chili; T. Tittoni, Italy; Také Jonescu, Roumania; A. da Costa, Portugal; Quinones de Leon, Spain; V. Wellington Coo, China; M. Paderewski, Poland. The Session lasted until Dec. 18 and there were present 241 delegates speaking 15 different languages, with the following 41 nations represented:

British Empire—	British Empire—	Italy	Brazil
Great Britain	India	Netherlands	Chili
Canada	New Zealand	Spain	Liberia
Australia	South Africa	Norway	Panama

Persia	Belgium	Paraguay	Haiti
Poland	Peru	China	Switzerland
Portugal	Roumania	Columbia	Greece
Siam	Japan	Cuba	Venezuela
France	Salvador	Czecho-Slovakia	Guatemala
Argentina	Sweden	Denmark	Uruguay
Jugo-Slavia	Honduras		Bolivia

During the Session Austria, Bulgaria, Finland, Luxembourg and Costa Rico were admitted to membership. Sir George Foster was Chairman of the Canadian Delegation. Mr. Rowell, from the beginning, took a high place in the Assembly and, according to the London *Telegraph*, shared its honours with Mr. Balfour, Lord R. Cecil, M. Viviani, M. Bourgeois and another. On Nov. 19 he took a strong line in favour of restricting the activities of the League to its primary function—namely, the prevention of war—and urged admission of all nations as soon as they had complied with the conditions laid down. On Dec. 8 he warmly attacked the Council of the League for assuming too much power and opposed certain plans for the technical organization of the League in Commissions as to Finance, Health, and Transportation because, he claimed, they tended to take such bodies out of the hands of the Assembly, which should control them, and throw them under the influence of the Great Powers of Europe who controlled the Council.

There was, also, the difficulty of non-European nations sending their best men to several such meetings annually: "The Assembly should not set up a machine which it cannot control. The countries of Europe being on the spot, will control these Bureaux. This might be all right if the League were a European League, but it is a world League. It is not that we have not the greatest respect and admiration for European statesmen, but simply that they do not understand our point of view. You may say that we should have confidence in European statesmen. Perhaps we should. But"—he declared with rhetorical emphasis—"it was European statesmen, European policies, and European ambitions that drenched the world in blood, a tragedy from which the world is suffering and will suffer for generations; 50,000 Canadian soldiers under the soil of France and Flanders is what Canada has paid for European statesmanship." This outburst, so different from the calm analysis of conditions and arguments to which European statecraft and diplomacy were accustomed, evoked varied remarks from the delegates. Finally, Mr. Rowell took the floor again and said he did not mean to attack European statesmen in general, and rather than give offence preferred to withdraw his words.* He also vigorously opposed the Italian delegation's proposal as to certain control over the world's raw materials by one of the Commissions and said that Canada would never consent.

*Note.—Cabled report by John MacCormack in Montreal *Gazette* and Toronto *Mail and Empire*.

Sir George Foster was largely instrumental in promoting the practical action of raising the sum of $1,000,000 for the relief of Polish typhus sufferers; his eloquence swept the delegates into line and even persuaded Mr. Balfour to change certain conditions attached to the British contribution. Mr. Doherty took an active and important part in the framing of the International Court constitution and, on his motion, States which were not a party to the original League Convention were allowed to select groups of their own with power to nominate Judges; another motion assured to Canada and the Dominions the right to bring cases before the Court. Mr. Doherty also moved the Resolution proposing to delete Article X of the Covenant which guaranteed the territorial integrity of the member-nations of the League, in order to meet the policy of the United States but, after discussion, its consideration was referred to the Committee on Amendments. Canadian delegates on Dec. 16 favoured the admission of Armenia but the vote was 8 to 21 against; Mr. Rowell's Resolution expressing the hope that President Wilson would intervene in that country was carried.

Incidents of the meeting included a more or less continued, indirect but obvious, clash between the Council and the Assembly as to their respective powers; the decision not to amend the Covenant at this time, despite the demand of Canada and others for the elimination of Article X so as to facilitate the entrance of the United States; the determined stand taken by Canadian delegates against the Council despite the fact that Britain more or less dominated its policy and, necessarily so, in view of its huge responsibilities and aid to European reconstruction; refusal of the request to admit Germany and the withdrawal of Argentina because of the rejection of certain proposals which it favoured; the final approval of Mandates granted to New Zealand for Samoa, to Australia for New Guinea and other Islands south of the Equator, to the South African Union for German South-Western Africa, to the British Empire for Nauru and to Japan for the Pacific Islands north of the Equator; the preliminary organization of the International Court of Justice.

The general plan of this Court had been prepared by an Advisory Committee of Jurists selected by the Council of the League and including Lord Phillimore, Great Britain; M. de Lapradelle, France; Baron Descamps, Belgium; Dr. Loder, Netherlands; Elihu Root, United States; M. Ricci-Busatti, Italy, and 4 others. The general scheme developed by this Committee was accepted by the Council and by the Assembly on Dec. 13, 1920, subject to its final approval by a majority of the nations; provision also was made for ratification by the United States. The Court was to sit at The Hague with 11 members to be selected by the League; its jurisdiction was to be voluntary as the four Great Powers had refused to allow compulsory powers; the election was in the hands of the Council and Assembly of the

League but the nominations were by national groups. Meanwhile the main work of the Assembly had been done by the six large Commissions with the Canadian delegates variously distributed. Mr. Doherty was on the Commissions as to Mandates and the International Court of Justice; Mr. Rowell, the Commissions on Organization and Admission of New States to the League; Sir G. Foster on those of Technical Organizations and the Finances and Budgetting of the League. In addition Sir George represented the Dominion on the Financial and Economic Commission.

In Canada during 1920 the discussion as to the League of Nations had been led by Mr. Rowell supported by Sir Robert Borden. The former spoke earnestly upon many occasions and vehemently criticized the Lenroot motion in the United States and the American attitude as to Canada's place in the League. To the Toronto *Globe* on Jan. 10, 1921, he stated after his return from Geneva that, up to this time, the most important work of the League had been the establishment of the Court of Justice: "That in itself would have made the Assembly one of the greatest gatherings of modern times." An important discussion had dealt with the question of making the hearing of International disputes before this body compulsory or voluntary. The Assembly finally decided in favour of voluntary appearance. An incident of 1920 was the appointment of R. D. Waugh, ex-Mayor of Winnipeg, largely through British influence, as one of the International Commissioners in the Saar Valley and he helped to meet a severe local epidemic of the foot and mouth disease by urging adoption of the Manitoba scheme initiated by the late Valentine Winkler, Minister of Agriculture, under which picked stock was supplied to the farmers by the Provincial Government on a long-term credit plan. It was accepted and proved successful though the financing was done by small Community banks instead of by a Government.

In the Commons on Feb. 16, 1921, Sir G. Foster, Minister of Trade and Commerce, stated that there was no friction between any of the Members of the British Empire delegation: "We did not always talk the same way. Each State was perfectly free in giving its views and in that way I think maybe a better accord and better results were obtained than if there had been any thought of acting as a unit." By April, 1921, Canada and 27 other States had signed the Protocal creating the International Court and the Secretariat had asked these countries to submit candidates for consideration at the next meeting of the League. In the Canadian Parliament on Apr. 14 Mr. Doherty, as Minister of Justice, presented his Bill authorizing the ratification and carrying into effect of the Protocol adopted by the Council of the League on Dec. 13-14, 1920, signed by the Canadian representatives in the Assembly Mch. 30, 1921. The 2nd reading took place

on Apr. 28, when Mr. Doherty explained that the Court was open to all nations with general interests and to the lesser ones with particular interests; that absolute equality of representation had not been obtained but as nearly so as was possible; that the jurisdiction of the Court was dependent upon the consent of the interested parties; that the Court would sit as a Court of Justice to apply the accepted principles of international law which the nations had recognized as binding upon themselves and to perform duties as a Court deciding questions of law and of right between the parties; that Canada had not signed a second Protocol, accepted by some of the nations, making the jurisdiction of the Court compulsory upon themselves. The measure passed in due course without opposition. On June 22 Sir Herbert Ames gave the House of Commons a review of the work and position of the League; urged Canada to keep politics out of International relations and to take warning from the example of the United States; described limitation of armaments as one of the most important functions of the League, and foresaw the end of secret diplomacy through the publication of all Treaties—though as a matter of fact the most important proceedings of the Council of the League were secret and its current policy was dominant; stated that as Financial Director he knew something of the work and attitude of the Council whose members were men of exalted standing and, he believed, sincere in their support of the League. As to Canada, he added this statement:

> The position attained by Canada in the League of Nations marks a long step forward in our constitutional development. In the Assembly, Canada is on equality with the other states. She is eligible for a vote on the Council, although, in view of the fact that the representative of the British Empire will always have a seat in that body, it is not likely that Canada's claim would be pressed. She has the right, however, of voting for the election of one half of the Council. Her voice will help to determine the composition of one-half its membership. Further, Canada has the right of direct access to the Council on any question specially affecting our interests.
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> Any question intimately affecting Canadian interests will not be dealt with by the Council unless the Canadian representatives are seated at the Council board. In view, then, of Canada's position as a full member of the League of Nations, it is important that her deputation at the Assembly should include her foremost statesmen. Furthermore, that there may be no parting as between the several Overseas Dominions having the same rights as ourselves, it is extremely important that before the Assembly meets the representatives of the various parts of the British Empire should hold converse together and mutually study the questions which will come up.

Following this incident came the International Emigration Conference at Geneva on Aug. 3, 1921, under the chairmanship of Lord Ullswater (formerly Mr. Lowther, Speaker of the Commons), and with 6 Governments sending delegates, 6 other countries sending employers' delegates and Germany, Italy and Sweden sending Labour representatives. The United States, Australia and the Argentine were not represented; the Cana-

dian delegate was Lieut.-Col. Obed Smith, Commissioner of Emigration in London. The Conference held 14 sessions and passed 30 Resolutions, the most important being that which insisted on the sovereign right of each State to declare who should enter or leave it. The Resolutions passed were forwarded to the Secretariat of the League of Nations and to the International Labour Bureau at Geneva.

The second Assembly of the League opened at Geneva on Sept. 5 and sat till Oct. 5, 1921. The British Empire delegates were as follows: United Kingdom, A. J. Balfour, H. A. L. Fisher, Sir Rennell Rodd; Canada, C. J. Doherty, Sir George Perley; India, the Maharajah of Cutch, Sir William Meyer, Srinivasa Sastri; Australia, Captain S. M. Bruce, Mr. Shepherd; New Zealand, Sir James Allen; South Africa, Prof. Gilbert Murray, Lord Robert Cecil, Sir E. Walton. Delegates from 48 States were present and Dr. H. A. Van Karnebeek, Dutch Minister of Foreign Affairs, was elected President. On Sept. 17th 11 Judges and 4 Deputy Judges were elected to the Court of International Justice—Great Britain being represented by Viscount Finlay, Lord Chancellor in 1916-19, and the United States by John Bassett Moore, Professor of International Law at Columbia University. The others were all more or less eminent Jurists and represented, in a national sense, the following countries: Spain, Italy, Brazil, Cuba, Switzerland, Netherlands, Denmark, Japan, France, Roumania, China, Jugo-Slavia and Norway. On Sept. 23 Latvia, Lithuania and Esthonia were admitted to the League, bringing the membership up to 51. Amongst the subjects discussed were Armaments, their proposed reduction and the difficulties caused by the absence of the United States, Germany and Russia—together with the statement that 15 States had accepted the League recommendation of 1920 not to exceed for two financial years the current Budget provision for Armaments; the traffic in Arms between various countries which had become dependent largely on what the United States would consent to do; detailed conditions under which the Economic weapon might be used by the League and the methods of administering Mandates; the position of Armenia and Albania and the Commission sent by the League to deal with the Vilna dispute; power of revising old Treaties which was declared not to exist and consequent refusal to intervene between Chili and Bolivia.

As to Canada, Mr. Doherty was elected Chairman of the Committee on Humanitarian and Relief Organization and *ex-officio* a Vice-President of the League; Sir George Perley on Sept. 22 carried an Amendment requiring that at least one-half the members of the League—instead of one-third—could call a Transit Conference when the League was not in session; the 6th Commission of the League adopted a proposal of Mr. Doherty that the Council of the League be invited to direct the attention

of the Ambassadors' Conference to the urgent need for regulating the status of Eastern Galicia; Mr. Doherty also renewed his contention for the elimination of Article X from the League's constitution. The Committee having this matter in hand could not accept his view and adopted an interpretative Resolution to the effect that Article X was never intended to perpetuate geographical and political divisions as they had existed but merely to be a safeguard against external aggression; eventually the matter was again deferred to the next Assembly. Mr. Doherty and Sir Robert Borden had been nominated by Canada for the International Court but the former withdrew and Sir Robert failed to be elected.

Following the League Conference came the 3rd meeting of the International Labour Conference established and called under League auspices. The first Conference had been held at Washington in 1919 and the second at Geneva in 1920. It was held at Geneva on Oct. 25-Nov. 19 with representatives of 39 countries present including Britain, Canada, Australia, India and South Africa with, also, France, Germany, Japan and Italy. There were 68 Government delegates and 25 each from Employers and Workers with 234 advisers in attendance. The Canadian delegation was as follows: Government—Gerald H. Brown, Ottawa, and Lieut.-Col. J. Obed Smith, London; Technical Advisers—Hon. W. R. Rollo, Minister of Labour, Ontario, Hon. T. H. Johnson, Attorney-General of Manitoba, Hon. A. Galipeault, Minister of Labour, Quebec, and Fernand Roy, K.C., Quebec; Employers' Delegate—S. R. Parsons, Toronto, and Technical Adviser, E. Blake Robertson, Ottawa; Workers' Delegate—Tom Moore, President Trades and Labour Congress, and Technical Adviser Arthur Martel of Montreal.

Lord Burnham, of London, was elected President and special Commissions were appointed to study and report upon the various issues before the Convention. The result was the adoption of 7 draft Conventions and 8 Recommendations. The former fixed the minimum age for admission of young persons to employment as Trimmers or Stokers; provided for the compulsory medical examination of children and young persons employed at sea; prohibited the use of white lead in painting; adopted proposals concerning the rights of Agricultural workers to association and combination; approved and defined the proposals for the protection and compensation of agricultural workers against accident; dealt with and forbade the employment of children under 14 years of age in any public or private agricultural undertaking within school hours; applied and defined laws as to a day or hours of weekly rest in industrial undertakings. The Recommendations included the following:

1. Development of Technical Agricultural Education.
2. Measures for prevention of unemployment amongst agricultural

workers with adoption of modern methods, improved system of cultivation, provision for land settlement and better transport facilities.

3. Establishment of systems of special agricultural insurance against sickness, invalidity, old age and other social risks.

4. Regulation of employment of children under 14 or young persons up to 18 employed in agricultural work during the night and assurance of a period of reasonable rest.

5. Regulation of employment of women wage-earners in agricultural undertakings with provision of suitable rest period.

6. Protection of women wage-earners in Agriculture before and after child-birth.

7. Improvement in living conditions of agricultural workers.

8. Assurance of a 24-hour period of rest in each week for industrial workers.

During the discussions S. R. Parsons on Oct. 29 declared it unwise to attempt interference with agricultural labour. Legislation on the subject could not be enforced because Agriculture was a seasonal industry and could no more be regulated than could wind, rain and snow. It would be unwise, he thought, to adopt Conventions which the various Governments could not pass into legislation. He quoted figures which Tom Moore claimed to be inaccurate. There was, during the Conference, a distinct division between European and non-European interests. Meanwhile, there had been considerable discussion of the League in Canada but not in any heated or even enthusiastic way; in the General Elections it was but slightly referred to. Mr. Rowell spoke from time to time, and on Jan. 22 told the Canadian Club, New York, that Canada had stood for the North American viewpoint at Geneva as against the purely European point of view and should have had the United States beside her; to the Teachers of Toronto on Jan. 18 he spoke at great length upon the record and progress of the League; at Saskatoon on Feb. 23 he addressed the Saskatchewan School Trustees on the same subject; he was at Edmonton on the 22nd and was banquetted at Winnipeg on the 25th; he addressed the I. O. D. E. in Toronto on May 30th. Mr. Doherty addressed the Empire Club, Toronto, on Mch. 31; in the Senate on May 19, Hon. R. Dandurand expressed regret that Canada had not succeeded in making the International Court reference compulsory and its jurisdiction absolute.

The League of Nations Society of Canada was organized at Ottawa on May 31 at a meeting presided over by H. E. the Duke of Devonshire and addressed by Sir George Foster; Sir Robert Borden; L. P. D. Tilley, K.C.,; Dr. H. M. Tory, of the University of Alberta; G. S. Campbell, Halifax; P. M. Draper, of the Trades and Labour Congress, and others. A Resolution was unanimously passed defining the policy of the Society as follows: (1) To promote International peace; (2) to furnish information about the League of Nations, its principles, its organization, and its work; (3) to study International problems and Canada's relation thereto as a member of the British commonwealth and of the League of Nations; (4) to foster mutual understanding, good

will and habit of co-operation between the people of Canada and other countries in accordance with the spirit of the League of Nations; (5) to promote the establishment of Provincial or local associations.

The Hon. Presidents chosen were Mr. Premier Meighen; Hon. W. L. Mackenzie King and Hon. T. A. Crerar; President, Rt. Hon. Sir R. L. Borden; Vice-Presidents, Hon. N. W. Rowell and Hon. H. S. Béland; Hon. Secretary, Vincent C. Massey, Toronto; Hon. Treasurer, A. J. Brown, K.C., Montreal. A meeting of the new League was held in Toronto on Oct. 9 with Sir Robert Borden in the chair and Hon. E. C. Drury, Provincial Premier, Hon. N. W. Rowell and Mr. Justice Riddell amongst the speakers. Mr. Drury declared that: "We in Canada possess an opportunity no other nation in the world possesses of taking the first and greatest and most necessary step in promoting a good understanding, which would be so strong that nothing could shake it, between the British Empire and the United States." In Great Britain at this time the League of Nations Union, with similar aims and policy, was very effectively organized with 550 offices throughout the country, a membership of 112,000 and a yearly expenditure of $200,000.

Incidents in this connection included Sir George Perley's statement in London (Oct. 10) that alterations in League subscriptions had been arranged so that Canada paid 35 units to Great Britain's 90; he also stated that the Dominion had given generously towards European relief from Typhus. Mr. Rowell, in a Toronto address on Nov. 22, stated that: "France was justified in refusing to disarm without sufficient international guarantees, such as those set forth in the Peace Treaty, to which the United States had refused to subscribe." He added the following statement bearing upon Canada's current development: "What the world needs is not more of the spirit of self-determination, but more of the spirit of unity—not more national isolation—but more genuine and sane international co-operation. Two of the outstanding lessons of modern history are that the nation state, that is, a separate independent sovereign state, is no longer an adequate form of political organization to meet the needs of human society, and that force is no longer a sane and practicable method of permanently settling disputes between nations."

During 1920 and 1921 the position of Canada at Geneva, and its policy in respect to the League, undoubtedly was largely affected by the United States attitude. The position taken against Article X of the Covenant under which the League undertook "to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League" was influenced (1) by a desire to placate the United States and help to obtain its support, and, (2) objection to guaranteeing all existing European national

allignments. The Republic, however, went its own way and the Republicans in the Senate used their majority to block the Treaty and the Covenant with unlimited Reservations—including that of Senator Lenroot which declared that "the United States assumes no responsibility to be bound by any election or finding by the Assembly of the League of Nations in which any member of the League and its self-governing Dominions, Colonies or parts of the Empire, in the aggregate, have cast more than one vote."

As to this the New York *Globe* (Feb. 12) stated that "the interests of the United States in the League will be amply protected by the provision, which England and her Dominions are quite willing to endorse, that no one of the British membership shall vote in any dispute in which the Empire or any of its members is a party." Prof. A. Bushnell Hart, of Harvard, added this comment in the New York *Times* (Feb. 16): "The United States controls five votes amongst its protectorates (Cuba, Panama, Dominican Republic, Nicaragua and Haiti), and has a much greater assurance that nobody will break away." As to the British attitude, Lord Grey of Fallodon was explicit in a letter to *The Times* (Jan. 31): "The self-governing Dominions are full members of the League. They will admit and Great Britain can admit, no qualification whatever of that right. Whatever the self-governing Dominions may be in the theory and letter of the constitution, they have in effect ceased to be Colonies in the old sense of the word. They are free communities, independent as regards all their own affairs and partners in those which concern the Empire at large. To any provision which makes it clear that none of the British votes can be used in a dispute likely to lead to a rupture in which any part of the British Empire is involved, no exception can be taken."

In Canada Mr. Rowell, who still was a member of the Government, took vehement exception to the attitude of the U. S. Senate against Canada's right to separate place and recognition in the League and at Ottawa on Feb. 2 said: "I do not so read the Covenant. Canada owes allegiance to the same Sovereign as Great Britain and so long as she continues to do so she would be a party in interest and disentitled to vote. If she disclaimed interest and claimed the right to vote she would thereby proclaim her independence, and this she will never do." There was, he thought, only one answer to the proposition. As to this, however, Prof. O. D. Skelton argued, (*Globe*, Feb. 6), that there was no British Empire, but only a Britannic Alliance. To an Ottawa mass-meeting on Feb. 15, Mr. Rowell added: "Canada cannot and will not assent to any impairment of her status or voting rights under the Treaty."

From Congress the issue went to the Presidential elections where it became largely a political matter—although Republicans

such as W. H. Taft, H. C. Hoover, G. W. Wickersham, were supporters of the League. Senator W. G. Harding was quite definite in his policy and stated at Des Moines (Oct. 7) that: "I do not want to clarify these obligations; I want to turn my back on them. It is not interpretation but rejection that I am seeking." He favoured (Marion, Ohio, Oct. 11) some other expression of the same ideal: "I am in favour of a world association—call it what you will, the name is of slight consequence—that will discourage or tend to prevent war." The Democratic candidate and party supported the League. After the Elections President Harding, in his first Message to Congress (Apr. 12, 1921) confirmed and emphasized his position: "In the existing League of Nations, world governing with its super-powers, this Republic will have no part. It is only fair to say to the world in general and to our associates in the War in particular, that the League Covenant can have no sanction by us. In rejecting the League Covenant and uttering that rejection to our own people and to the world, we make no surrender of our hope and aim for an Association to promote peace—in which we would most heartily join." In succeeding months, however, there was no actual hostility shown to the League; there even was a tacit recognition in the protest addressed to it regarding Mandates and certain new issues which arose; a prominent American, no doubt with permission of his Government, accepted a place on the International Court of Justice.

Such were the issues involved in the 1920-21 record of the League of Nations. During this period the League won strong friends within the British Empire and it had vigorous and convinced opponents. It undoubtedly interjected the spirit of Internationalism into that vast and vague entity; it involved new problems and difficulties in the relationship of its various countries; it created possibilities of difference and divergence amongst them which could not exist under a united Foreign policy and administration; it effected, and may have weakened, the *prestige* of Great Britain as the head and centre of a great combination of nations. On the other hand, it helped to show the people of the Dominions how great were the problems facing the Motherland and the Dominions; it was an educative factor in Foreign affairs and conditions and, properly handled, should draw the nations of the Empire together in a co-operative effort to meet great issues; it made each of the Dominions a recognized factor and unit in world affairs—strengthened by the knowledge that, whatever the minor differences between sections of the Empire which might show at Geneva from day to day, any vital or fundamental question would probably re-unite the countries concerned.

Mr. Premier Hughes of Australia was one of the critics of the League, as General Smuts of South Africa was one of its chief protagonists. He declared that: "When Britain called the

Dominions they came without question, without delay and if they called to-morrow for aid Britain would come in the same way. But if the Empire or any of its countries called to the League of Nations would it come, or if it called to us would we go?" He did not think so. He believed its polyglot forces to be a broken reed and in an Australian speech on Mch. 24, 1921, said: "I saw what the League was, and what it would be, when at the Peace Conference. If you realize what the League is you will never be under any delusions as to what it can do. It consists of 42 nations recruited from all countries of the world and of all colours, and there is not one of them outside the British Empire with any conception of the ideals of Australia. I have not found one of them our friend. If the League failed Poland, what of Australia, 12,000 miles away? There is but one existing League of Nations to-day which is our sure and certain protection, and that is the League of the British Empire."

Mr. Premier Massey of New Zealand was by no means enthusiastic in his support of the League and Sir James Allen, High Commissioner in London, feared complications and difficulties if the Dominions carried on their relations with the League apart from the British Foreign Office. Both declared, during 1921, that in any serious issue between the League and the Empire they would stand by the latter. It was at this time quite obvious to the student and thinker that the whole situation involved more and more the exercise of caution and diplomacy on the part of Canadian and Dominion leaders; more and more a ripe or increasing knowledge of Foreign affairs; more and more a clear comprehension of what were the Foreign interests of Canada and their relationship to the interests of Great Britain and the Empire.

Canada and The Japanese Treaty: A 2nd Essay in Foreign Affairs.

Canada was directly interested in the Anglo-Japanese Treaty and its proposed renewal because, (1) of the fact that the Japanese question touched its Pacific shores and vitally affected the people of British Columbia, and (2) because it concerned the United States whose feelings were liable at any moment to be stirred to a sensational and perhaps dangerous point by Japanese pressure upon its Pacific coast and by anti-Japanese agitations in its press and politics. Canada in this matter, as in so many others, shared the viewpoint of the United States. American prejudices against coloured peoples had their inevitable influence in the Dominion as against the experienced and more liberal outlook of Great Britain—but they were fortunately not so keen or so pervasive.

To the United Kingdom as the head of a world-wide Empire, the alliance with Japan had for years been a valued compact which was carefully kept on both sides. Its creation had been a

triumph for Lord Lansdowne as Foreign Minister; its maintenance had for years stabilized Eastern conditions, assured peace and absence of naval or other rivalry between the two chief Oriental Powers, supported British interests against the aggressive policy of Russia in its days of power and slow resistless sweep over Asia. During and after the War it had helped Great Britain to hold its *prestige* intact in the East and to meet the machinations of German diplomacy and the later efforts of Bolshevistic plotting in India, Persia, Afghanistan, Mesopotamia, Palestine, Egypt and other regions.

There was much written and uttered about Japan in these later years that was untrue or exaggerated; much that was real and accurate. Sensational statements about its policy and oppressions in Korea had saturated the American and Canadian mind with very natural suspicion and distrust, yet H. J. Mullett-Merrick in the *Asiatic Review* for May, 1921, said: "No country in the world ever did or ever will take on such a difficult and thankless job as Japan. x x x Centuries of corruption among the governing class (in Korea) had produced a people mentally debased, without even elementary education, sullen, in the direst straits of poverty, and undoubtedly the most thriftless people in the inhabited world. Slavery existed in Korea throughout the whole of its history until abolished by Japan in 1911." Korea owed most of its 1,000 miles of railway to Japanese enterprise, together with a network of similar material improvements. As to the assimilation of Japanese with other races, experience in Hawaii, where there were 110,000 of these people with 31,000 Americans, 25,000 Portuguese and a similar number each of Chinese, Hawaiians and Filipinos showed that Japs, educated in the Public Schools, rapidly grasped the American language, ideals and standards; their adoption of English customs in Japan, itself, was a matter of world-wide knowledge.

Bishop Lee of Japan put the matter to the Rotary Club, Toronto (Apr. 1), as follows: "Japan needs our sympathy to-day. While we have had Christianity for 1,500 years she has had it for but 50 years. The merchant has been despised for years and the soldier has been the top-dog all along. We must remember that Japan was loyal to the greatest contract in the history of the world—the Anglo-Japanese alliance. The British Empire extends all over the world, yet Japan has but little territory and her 60 million people live on but one-thirteenth of the area of the islands as the mountains are too steep for habitation. If Ontario was populated as thickly as Japan the population would be well over 160,000,000." Incidentally, Japan was, at this time, Canada's best customer in the East with considerable Canadian exports to the Oriental empire—wood-pulp, nickel and zinc spelter, iron and steel, square timber, asbestos, etc.

The other side was, of course, the centuries-old antagonism in California or British Columbia or Australia between the racial product and social customs of the East and the West. The United States was not only concerned about the Philippines and Hawaii in which Japanese interests and Nationals were involved and California, where they were conspicuous, but believed Japan was making use of the Treaty with Britain to enhance its own power and possessions, to coerce Korea and obtain concessions, commerce and territory in China. Americans realized that Japanese naval power was an important consideration and a vital one if any conjuncture of circumstances should combine it with that of Britain; they were not taught to believe that British friendship was as great as it really was and many feared what, to the average Englishman, was an utter impossibility; they knew that Japan, like Germany in the past, was land-hungry and ambitious and nursing the real grievance of a proud people whose Nationals were not treated as equals in or by the United States. They did not know that the Japanese do not naturally like emigration and that their Government had not been able to induce them to settle either in Korea or Formosa though both countries were fertile and close to their shores; the people of both the United States and Canada did know, however, that wherever the Japanese filtered in and settled they brought their women with them, that their birth-rate was high, their independence in business marked, their industrial initiative excellent, their competition in labour, and as workers, keen.

The United States also believed that Japanese policy toward China involved injury to American interests in that country and that the Treaty in question had prevented Britain joining in American protests upon more than one occasion; that as the German and Russian ambitions associated with the original agreement had passed, it could only be directed in reality against the United States as the great commercial and naval rival of both Japan and Britain; that in all its foreign policy Japan was in opposition to American interests—to obtain equal privileges and rights for its people, to hold a free hand in China and to gain the control of the Pacific; that in its political and economic subjugation of Formosa, Mongolia and Manchuria, Japan had been harsh and oppressive to the people and discriminatory against the trade of other countries; that its large increases in Army and Navy were preparatory for another war and that the closer Japan's alliance with Britain was, the more dangerous did its policy and ambitions become to the United States.

On the other hand, a real breach between English-speaking peoples and Japan might throw the latter into an alliance with Russia and Germany. Australiasian opinion, as led by its Premier, was largely in favour of the Japanese Treaty because (1) Japan had been a real help to these countries in the War and (2) because they realized very fully how much Great Britain and them-

selves needed an ally in Pacific waters; at the same time Australian policy of excluding the Japanese from their territory was on all fours with that of the United States and Canada—though the latter's action was based upon a "Gentleman's agreement" and was not regarded as offensive. Mr. Premier Hughes, in his notable address to the Australian Parliament on Apr. 7 said: "It is the bounden duty of Australia to use every means at her disposal to effect such a *modus vivendi* as will secure a renewal of the Anglo-Japanese Treaty in a form agreeable to the United States. x x x I think the interests of Australia lie in a renewal of the Treaty in some modified form. I see no reason why the Treaty should not be renewed in a form which would be satisfactory not only to the Empire and Japan, but to the United States as well. United States opinion must be considered." The Ministerial and Country Parties cheered the Premier's statement; the Labour Opposition was silent.

New Zealand opinion was very similar. The Premier (Rt. Hon. W. F. Massey) told a New York *Tribune* correspondent on June 3rd that: "We have no Japanese problem. Our immigration laws are so formed as to give us absolute control over aliens entering our country. This authority is well recognized, and there has never been any trouble about it." At Victoria, B.C., on his way to England, Mr. Massey stated on May 6 that: "We have much to gain and nothing to lose by a renewal of the Anglo-Japanese treaty. Japan was loyal to the Empire during the War and we owe her a debt of gratitude. It does not seem to be generally known that Japan, under the terms of the Treaty, was not compelled to join Britain in the War. The Treaty referred only to possible differences in India and the Far East." Mr. Lloyd George dealt with the Treaty from the British standpoint in opening the Imperial Conference on June 20 as follows:

> Our Alliance with Japan has been a valuable factor in the past. We have found Japan a faithful ally who rendered us valuable assistance in an hour of serious and very critical need. The British Empire will not easily forget that Japanese men-of-war escorted the transports which brought the Australian and New Zealand forces to Europe at a time when German cruisers were still at large in the Indian and Pacific Oceans. We desire to preserve that well-tried friendship which has stood us both in good stead, and to apply it to the solution of all questions in the Far East, where Japan has special interests, and where we ourselves, like the United States, desire equal opportunities and the open door. No greater calamity could overtake the world than any further accentuation of the world's divisions upon the lines of race. Our foreign policy can never range itself, in any sense, upon the differences of race and civilization between East and West. It would be fatal to the Empire.

The terms and history of the Treaty must be briefly outlined. An understanding, which was not quite a formal treaty, was signed by the United Kingdom and Japan on Jan. 30, 1902. The agreement disavowed on the part of each of the contracting parties any aggressive tendency in either China or Korea, and

the independence of those two countries was explicitly recognized. It provided that Britain in China and Japan in China and Korea might take indispensable measures to safeguard their own interests, and that if such measures involved one of the signatories in war with a third power the other signatory would not only remain neutral but would also endeavour to prevent other powers from joining in hostilities against its ally, and would come to the assistance of the latter in the event of its being faced with two or more powers. Both Powers were actuated by a desire to meet and discourage the growth of Russian or German influence in the Far East; during the continuance of the Agreement the Japanese-Russian War was fought and Japan was aided by the prevention of any hostile action on the part of Germany or France—both those countries being at the time in close relations with Russia. The actual Treaty of alliance was entered into in September, 1905, and the scope of the arrangement covered India and the East generally in the following terms:

1. The consolidation and maintenance of the general peace in the regions of eastern Asia and of India.
2. The preservation of the common interests of all powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China.
3. The maintenance of the territorial rights of the high contracting parties in the regions of eastern Asia and of India and the defence of their special interests in said regions.

The chief Article in the Treaty was as follows: "If by reason of unprovoked attack or aggressive action, wherever arising, on the part of any other Power or Powers, either contracting party should be involved in war in defence of its territorial rights or special interests mentioned in the preamble of this Agreement, the other contracting party will at once come to the assistance of its ally and will conduct the war in common and make peace in mutual agreement with it." The Treaty had been made for 10 years but in 1911 (June 13) a new arrangement renewed its essential features for another 10 years and thereafter until terminated by one year's notice. During 1921 negotiations for renewal had commenced early and it was understood a three-year period was under consideration with modifications in the references to China and India; China was hostile to any renewal, United States criticism was at times vehement—especially in the Hearst press.

In this latter connection Article IV of the 1911 re-adjustment provided that "should either high contracting party conclude a Treaty of general arbitration with a third party it is agreed that nothing in this Agreement shall entail upon such contracting party an obligation to go to war with the Power with whom such a treaty of arbitration is in force." This, it was contended and believed in England, would exclude the United States from any

possible situation of the future so far as Great Britain was concerned; Bertram Lenox Simpson, Chief Foreign Adviser to the President of China, contended that "in the event of war between Japan and the United States, China would intervene against Japan, which would oblige Great Britain to come into the war as against China even though protected by express stipulations from so taking part in any such war against the United States." The Arbitration Treaty referred to in the 1911 Agreement, though signed by Great Britain, was rejected by the United States Senate in 1912; the Peace Commission Treaty of 1914, however, which was fully accepted by the United States and a number of other countries, including Great Britain, was regarded by the United Kingdom as "a general treaty of arbitration" under the terms of the Japanese Treaty and Japan had been formally notified to that effect.

A further complication arose when (July 7, 1921) Great Britain and Japan sent a formal communication to the Secretariat of the League of Nations declaring that so long as the Treaty was in force its provisions would be modified by Article XX of the Covenant, which required members of the League to renounce all special agreements in conflict with the League Charter. Since all the members of the League were on an equality and allied for common purposes, any special compact between two of them for mutual defence of their rights and interests against a third member was theoretically excluded and the whole issue, apparently, was thus made an international one instead of being restricted to the two nations immediately concerned. By this time world conditions had entirely changed; Russia and Germany were beyond the terms of immediate consideration; in the protection of Pacific interests United States co-operation was as important, or more so, to British commonwealths than was Japanese. There was also another Treaty—one of "Commerce and Navigation"—signed at London on Apr. 5, 1911, between Britain and Japan and relating exclusively to the subjects specified. The Dominions were excluded, as had become the custom, from its operation unless they formally assented to it; in the case of Canada this was done by Parliament in 1913 with, however, a special clause providing that the citizens of Japan should, in Canada, be subject to Canadian immigration laws. This Treaty was to remain in force to July 10, 1923, and thereafter under one year's notice of termination.

The holding of the Imperial Conference of 1921 occurred in July when the Treaty was terminable upon one year's notice and with negotiations well under way for its renewal; the Prime Minister of Canada and many newspapers in Canada and the United States appeared to think—judging from despatches—that the Treaty actually terminated at this date. The facts were so well known in Britain that they were not officially referred to; in the House of Commons on June 17 the subject had been dis-

cussed, and Sir Samuel Hoare and other speakers took the obvious view that 12 months' notice of termination would have to be given. As a matter of fact, the Treaty itself was explicit: "In case neither of the high contracting parties should have notified 12 months before the expiration of the said 10 years its intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the high contracting parties shall have denounced it."

It cannot be said that Canadian opinion was excited over the Treaty. Such feeling as did exist was expressed in a few leading newspapers and in British Columbia and was based (1) upon the knowledge that people in the Pacific Province keenly resented the peaceful, economic penetration of that region by the Japs; (2) upon a belief in certain defined circles that the Treaty had secured its purpose and was not in accord with post-war international policy; (3) a feeling that its continuance might promote competition in Naval armament with the United States; (4) upon sentiments of dislike and suspicion against the Japanese aroused in many Canadian minds by the propaganda of U. S. magazines, newspapers and speakers. In the final notification from the British Prime Minister to the Canadian Government as to the subject-matter of the proposed Conference (October, 1920) the following reference* was made: "The question of the renewal of the Anglo-Japanese Alliance which is, indeed, only a part of the general subject of foreign relations, but which is especially urgent, since under the terms of the Alliance, a decision should be reached this year."

Mr. Meighen's comment, after a brief summary of the terms of the Treaty, was as follows (Apr. 27, 1921): "I need not enlarge upon how serious, or even how momentous, is the deliberation that must take place as regards the question of the renewal of that Treaty. The importance of it arises from the interest of the United States therein, and the interest of Great Britain and of Australia and other parts of the Empire; but the importance of it to us arises, in a very great degree, out of the very great interest of the United States in the renewal or the non-renewal thereof." He would express no further opinion at this time; but there seems no doubt that he went to London with the determination of securing at least a clear definition of the non-application of the Treaty to the United States; the Ottawa *Journal*, which was supposed to represent Government views, was outspoken in its objection to any renewal of the Treaty; Sir Robert Borden, whose influence in such questions was strong, was known to be opposed to the Treaty.

As to public opinion, it was indicated only in a limited way; the Liberal leaders in Parliament (Apr. 27) made but slight reference to the matter; the Montreal *Star* was favourable to renewal if serious Empire interests required it, but hoped that the

*Note.—*Hansard*, Apr. 27, 1921. Speech by Mr. Meighen.

positive exclusion of the United States from its terms might be possible; the Toronto *Star* (May 21) was explicit as to Canadian-American concern in the matter and declared that "Canada should oppose the renewal of that Treaty, and her *supreme interest* in the matter should be recognized and deferred to"; the Provincial Government of British Columbia forwarded to Mr. Premier Meighen at London a cablegram strongly urging that any renewal of the Treaty should preserve to Canada the right to restrict Japanese immigration. On June 15 Grattan O'Leary, the special Canadian correspondent who was supposed to voice Mr. Meighen's policy, stated that the Premier would oppose renewal in the Conference because (1) the reasons which made it necessary in 1911 had since disappeared; (2) that renewal would be regarded as a challenge to the United States; (3) that the formation of special alliances was antagonistic to the spirit of the times and to the effort to promote disarmament and peace.

Following this the despatches to Canada and the United States declared in varying terms of assuredness that Hughes of Australia and Massey of New Zealand favoured renewal and that Smuts of South Africa and Meighen of Canada were opposed to it. One American correspondent (C. W. Ackerman, Philadelphia *Ledger*) stated that "so nearly does Premier Meighen, of Canada, represent the views of the United States on the Anglo-Japanese question, that he is accredited with representing the North American viewpoint, rather than merely that of Canada." The speeches were not made public but certain facts percolated through to the press and in the Commons on Aug. 18 Mr. Lloyd George said: "There is a good deal of discussion on the Japanese Alliance. I do not believe there is any country in the world, whether it likes the Japanese alliance or does not like it, that would think any better of the British Empire if we broke off the Alliance—not one. x x x That does not mean that we are to continue an alliance of this kind against anyone else, and certainly not against the United States of America. It is a cardinal principle of British policy, and must be, that we should act in as complete accord with the United States of America as any two countries can. x x x If an alliance with Japan could merge in a greater understanding with Japan and the United States of America in all the problems of the Pacific, that would be a great event and it would be a guarantee for the peace of the world." In Toronto on Sept. 2nd Mr. Meighen told a large audience that:

> There may be some shades of misapprehension as to the position taken by myself on the Anglo-Japanese Treaty question, but, generally, the stand I took is well understood. I sought to impress on behalf of this country, not that the friendly relations with Japan should be broken off, but that the problems sought to be taken care of by the instrument of the Japanese Treaty should rather be placed on the table for discussion before all the nations chiefly concerned in their solution. The other nations chiefly concerned, besides Great Britain and Japan, were undoubtedly the United States and China.

Canada and the Origin of the Washington Conference: A 3rd Essay in Foreign Affairs.

The above reference touched the keynote of Canada's attitude at the Imperial Conference and the influences which developed into President Harding's call for a great Peace gathering. The question of a limitation of armaments, of some definite arrangement as to new Peace agreements, was in the air from the beginning of 1921. As early as Jan. 7 General Sir Arthur Currie stated to the press in Montreal that this was the time for a move beyond the League of Nations: "The limitation of Naval armaments has been proposed on both sides of the Atlantic almost simultaneously; statesmen of high repute have advised their countries to seek the adoption of this step; and the temper of the general public in these countries is manifestly in favour of its adoption." In the New York *World* of Jan. 5 Sir Vincent Meredith, President of the Bank of Montreal, declared that "there can be no question but that it is highly desirable that vast expenditures on armaments should cease and all countries work together to this end," while Sir Montagu Allan, President of the Merchants Bank of Canada, advocated "the conclusion of an agreement between Great Britain, the United States and Japan with the object of stopping further capital expenditure." Such a policy, while not preventing wars, would be a distinct step in the direction of peace.

The outstanding advocates of something along this line had been Lord Grey of Fallodon, and Elihu Root in the United States; many others had urged closer relations between Great Britain and the United States; President Wilson, at the Versailles Congress of 1919, had pressed for a general international disarmament. In a London despatch to the New York *Tribune*—an exceptionally reliable paper not given to sensational statements—on July 8 it was stated, in connection with the Anglo-Japanese Treaty and the proposed Pacific Conference of Great Britain, United States, Japan and China, that the original proposal for such a Conference had come from the Canadian Government early in February, 1921: "It was then suggested that the Dominion Government, through its Department of External Affairs, be empowered to consult with Washington—to sound it out, so to speak—on the possibility of a Pacific Conference." Grattan O'Leary, already quoted as a journalistic correspondent in London with the Canadian party, confirmed this statement in an article written for *Maclean's Magazine*, Toronto (Sept., 1921) in which he said: "The simple truth—and this can be substantiated by official and ascertainable fact—is that as early as Feb. 14, 1921, the Meighen Government, acting through the Canadian Department of External Affairs, believing that the Anglo-Japanese Alliance ought not to be renewed, communicated its views to the British Government, and suggested that the United States Gov-

ernment be approached as to whether it would be willing to agree to a Conference on Pacific affairs with Great Britain and Japan."

The attitude of the United States at this time was somewhat varied. It was building war-ships upon a large scale with a programme which promised in a few years to run its fleets ahead of Great Britain; the Senate on Feb. 8, with but one dissenting voice, had voted down Senator W. E. Borah's Resolution to suspend the Naval programme for six months; the same body on Mch. 1st, by unanimous vote of 58 with no dissentients, attached an amendment to the Naval Appropriations Bill urging the President to call a Conference of the United States, Japan and Great Britain to consider naval disarmament. The following preliminary step was taken by Great Britain on May 6 of this year when Mr. Lloyd George, as President of the Allied Conference then sitting in London, sent a despatch to the U. S. Secretary of State, through the British Ambassador, stating that: "I am authorized, with the unanimous concurrence of all the Powers here represented, to express to the United States Government our feeling that the settlement of the international difficulties in which the world is still involved would be materially assisted by the co-operation of the United States and I am, therefore, to enquire whether that Government is disposed to be represented in the future, as it was at an earlier date, at Allied Conferences, wherever they may meet, at the Ambassadors' Conference, which sits at Paris, and on the Reparations Commission." The response was prompt, with a cordial promise of co-operation at all such meetings.

On May 25, by a vote of 74 with no opposition, the Senate at Washington passed a Resolution stating that: "The President is authorized and requested to invite the Governments of Great Britain and Japan to send representatives to a Conference, which shall be charged with the duty of promptly entering into an understanding or agreement by which the naval expenditures and building programmes of each of said Governments, to wit, the United States, Great Britain and Japan, shall be substantially reduced annually during the next five years." The House of Representatives approved this Resolution on June 29 by a vote of 330 to 4 as an amendment to the Naval Appropriation Bill of $500,000,000, and the President signed the Bill with the Amendment on July 15. Meantime, Japan was showing a most conciliatory policy and on Mch. 18 Viscount Ishii, Japanese Ambassador to France, had stated to the press that: "Japan is ready to support any American suggestion aiming at securing peace to the world and, to quote a specific instance, we should be glad to be associated in any practical scheme which may be started in order to promote general disarmament."

It was apparently left for the Imperial Conference in London to bring the whole issue before the world, to concentrate

attention to the Pacific and to bring the four nations—Great Britain, United States, Japan and China, with the British Dominions—into a state of mind where parleys and conferences became possible. The proposed renewal of the Anglo-Japanese Treaty helped materially in this development and, in the June issue of the *Fortnightly Review*, Archibald Hurd, the naval writer, raised a point which, later on, made a serious appeal to many minds: "On two sides of the Pacific the United States and Japan are feverishly building great fleets. The standard expenditure of these two countries is higher than ever known to Europe. That movement cannot fail to influence the British naval policy, since the Pacific is evidently destined to be the cockpit of the world in the immediate future. The British Empire is essentially an Eastern empire, for two-thirds of its population overlooks the Pacific ocean. But that two-thirds contributes at present little towards the maintenance of naval forces on which its security must depend." Early in the ensuing Conference—at the second session on June 21—General Smuts of South Africa made an important speech:

> I do not advocate an alliance or any exclusive arrangement with America. It would be undesirable; it would be impossible and unnecessary. The British Empire is not in need of exclusive allies. It emerged from the War quite the greatest Power in the world, and it is only unwisdom and unsound policy that could rob it of that great position. It does not want exclusive alliances.
>
> Undoubtedly the scene has shifted away from Europe to the Far East and to the Pacific. The problems of the Pacific are, to my mind, the world problems of the next 50 years or more. In these problems we are, as an Empire, very vitally interested. Three of the Dominions border on the Pacific. There, too, are the United States and Japan and China. x x x It is now for this Conference of ours to give the lead, and guide the Powers concerned into a friendly conference or system of conferences in regard to this great issue.

The discussions on this point, which followed, were close and frequent during a period of weeks; Mr. Meighen and the South African Premier were alligned together from the first and though the speeches were not made public, details of information crept into the press and, especially, into the despatches sent to Canada and the United States. The *Canadian Gazette* of July 7 described the views expressed by Mr. Meighen as follows: "It is said that he pointed to the geographical position of Canada, with her frontier marching with that of the United States, and laid stress on the importance of this fact in relation to any policy by which the United States might conceivably be, or might consider itself to be, affected. He is further said to have emphasized the advantages of international co-operation over special alliances, to have expressed a hope that the relations of nations might come to be based on good will, and to have stated his belief that great good would accrue from a Conference between the British Empire, Japan and the United States; and also to have insisted on the great need of the world for disarmament."

Meanwhile, the British Government was negotiating along these lines and, in the House of Commons on July 11, Mr. Lloyd George stated, as to this whole question, that the Imperial Cabinet* had been guided by three main considerations: (1) "That in Japan we have an old and proved ally, and the Agreement between the two has been of great benefit, not only to ourselves, but to the peace of the Far East; (2) that in China there is a very numerous people with great potentialities, who esteem our friendship highly, and whose interests we, on our side, desire to assist and advance; (3) that in the United States we see to-day, as we have always seen, the people closest to our own ideals, with whom it is for us not merely a desire and interest, but a deeply-rooted instinct, to consult and co-operate." On these main considerations there was, he added, unanimous agreement in the Imperial Conference. The object of the discussions was to find a method of combining all the above factors in a policy which would remove the danger of heavy Naval expenditure in the Pacific, and all the evils which such an expenditure entailed, and would ensure the development of all legitimate national interests in the Far East.

Turning to the broader discussion of Far Eastern and Pacific policy, the Prime Minister said that the Imperial Cabinet were convinced that the first principle of such a policy was friendly co-operation with the United States "Upon that, more than any other single factor depends the peace and well-being of the world." The greatest merit of the valuable friendship between Great Britain and Japan was that it harmonized the influences and activities of the two greatest Asiatic Powers and thus constituted an essential safeguard to the well-being of the Empire and the peace of the East. Another important point made was that it was the desire of the British Empire to preserve the open door in China and to give the Chinese people every opportunity for peaceful progress and development, to safeguard Britain's own vital interests in the Pacific and to preclude any competition in naval armaments between the Pacific Powers:

All the representatives of the Empire agreed that our standpoint on these questions should be communicated with complete frankness to the United States, Japan, and China, with the object of securing an exchange of views which might lead to more formal discussion and Conference. The Foreign Secretary, accordingly, held conversations last week with the American and Japanese Ambassadors and the Chinese Minister, at which he communicated to them the views of the Imperial Cabinet, and asked in turn for the views of their respective Governments. He expressed at these conversations a very strong hope that this exchange of views might, if their Governments shared our desire in that respect, pave the way for a Conference on the problems of the Pacific and the Far East. The views of the President of the United States were made public by the American Government this morning."

*Note.—The Conference was so termed in Parliament and in much of the British press.

Japan, at this juncture, wanted a renewal of the Treaty. The militaristic party was said in the United States and Canadian press to be in power, but on July 8 M. Ozaki, a statesman of eminence and ex-Minister of Justice, had completed a 10,000-mile campaign in that Empire on behalf of limitation of armaments—a campaign unparallelled in Japan's political history. He stated in Tokio: "If the United States Government proposes an International Conference to discuss restriction of armaments, it will surely be the beginning of a solution of all the diplomatic questions between Japan and the United States." Following the British diplomatic efforts President Harding's official call for a Conference at Washington was issued on July 10 and published in London on the 11th. On July 20 Sir Joseph Cook, Acting Prime Minister of Australia, stated that: "The proposal to hold this Conference developed from the consideration of the renewal of the Treaty between Great Britain and Japan, it having been found that two other countries were vitally interested in it, and that their representatives must be consulted." Mr. Hughes, Prime Minister of Australia, declared in Parliament after his return (Sept. 30) that he had supported in the Imperial Conference a tripartite treaty to be substituted for the Anglo-Japanese Treaty: "Before the negotiations with America and Japan on the subject were concluded Mr. Harding's invitation was received." From these facts it is obvious that the first Government to propose a Pacific Peace Conference was that of Canada; the first Legislature to urge such a Conference was that of the United States; the first Government to initiate negotiations to this end was that of Great Britain.

Mr. Lloyd George, Lord Curzon and the Dominion Prime Ministers volunteered to attend a preliminary meeting in America for a friendly interchange of views before the main Conference. They felt that a discussion on Disarmament could have more satisfactory results if a *modus vivendi* in the Pacific was first reached. The Powers to be invited to this proposed discussion were the United States, Japan, China, and the British Empire. The desire and the plan was generally supported at the Imperial gathering; Mr. Meighen remaining longer than was intended in order to share in this hoped-for meeting. Both the Premiers of Australia and New Zealand had to return home for the meetings of their respective Parliaments and could not attend the formal Washington Conference; Mr. Hughes put this fact plainly before the American Club in London on July 22 and urged the preliminary Conference very strongly. President Harding and his advisers, however, objected to such a proceeding though it was understood they would not oppose preliminary diplomatic conversations touching the subject—in which Dominion representatives like Messrs. Hughes and Massey could express their views; the question of direct Dominion representation at the Conference did not develop at this stage. But the ob-

jections of the United States prevailed and the final official Report of the Imperial Conference stated on this point that:

> The conclusion of the American Government was viewed with the utmost regret by the members. At no stage had it been suggested that the results of such a consultation as was contemplated should either anticipate the work or tie the hands of the Washington Conference at a later date. On the contrary, holding, as they do, the firm belief that without a Pacific understanding the Conference on Disarmament will find it less easy to attain the supreme results that are hoped for by all, the Imperial Conference made the proposal before referred to, anxious to remove every possible obstacle from the path of the Washington meeting.

The Washington Conference: Canada's 4th Essay in Foreign Affairs; Policy of the Nations Concerned.

Whatever the precise origin of this great gathering—whether it was an inevitable outcome of world conditions and the precedent set at Versailles; whether the effort of the Ottawa Government in February of this year was the technical starting point; whether the Imperial Conference and Mr. Meighen's insistent attitude as to the Japanese Treaty and a Pacific Conference was the vital force which flung the idea upon the map of world-thought; or whether it was the outcome of a growing and powerful popular sentiment in the United States, Great Britain and the Dominions which President Harding seized upon and embodied in his invitation of July 10—there could be no doubt of its importance.

There, also, was no doubt of the imperative necessity for action. According to the League of Nations Union in Great Britain, the expenditure of the United States, Great Britain, France, Italy and Japan, on armaments, before the War, was £243,00,000 and after the War £1,203,000,000; a statement made by Sir L. Worthington Evans, British Secretary for War, in Parliament early in 1921, showed that European armies, exclusive of Russia, still totalled 3,333,367 men; Washington semi-official statistics telegraphed to the press of Canada in November stated the military strength of the five great Powers represented there at 2,206,300 mobilized men and 9,790,675 in reserves with 5,637,604 as the mobilized forces of 27 other nations and Latin America, whilst the latter group of many countries was supposed to have 15,500,-941 men in reserve; the Naval expenditures of the five great Powers was estimated* for 1920-21 at $1,664,391,262—with the United States total nearly double that of Britain. The London *Times* correspondent at Washington (Oct. 23) gave the Naval statistics of the three chief naval Powers as to (1) present fighting strength and (2) total strength after completion of current programmes—though it was impossible, without elaborate technical detail, to cover conditions of battle efficiency:

I. Great Britain, present strength 533 ships, aggregating 1,860,480 tons; building 17 ships of 199,380 tons.

* Note.— *Literary Digest*, Nov. 12, 1921.

The United States, present strength 464 ships, aggregating 1,289,463 tons; building 69 ships of 734,928 tons.
Japan, present strength 99 ships, aggregating 528,689 tons; building 85 ships of 805,188 tons.
II. Great Britain, 550 ships, aggregating 2,059,860 tons.
The United States, 533 ships, aggregating 2,024,391 tons.
Japan, 184 ships, aggregating 1,333,877 tons.

The origin of the Conference has been referred to; its calling was indirectly aided by many things besides the heavy pressure of armaments. American feeling against Japan was becoming more acute with every passing year; the latter country's sentiment was illustrated by Viscount Kato, Opposition leader in that Empire, who told the New York *Tribune* correspondent on Feb. 25 at Tokio that: "America locks the whole American continent against us, but it considers itself privileged to interfere in foreign questions in all parts of the world, especially in the Far East; it reserves the American continent to itself, while American missionaries stir up trouble in Korea and the American Government interferes in China." Meantime, new and more deadly methods of warfare were being planned and discussed—the Americans (Chemical Warfare Service) had a poison gas so strong that three drops would kill anyone whose skin it touched and the British, according to Sir William Pope, President of the Society of Chemical Warfare, had one which made the air absolutely irrespirable. As to questions at issue between the countries directly concerned, Japan had claims and a partial occupation in Siberia, an unsettled control in Manchuria, a dispute with China regarding the Great Wall of China as a boundary line, practical domination in Mongolia, the award of Shantung by the Paris Treaty and the annexed territory of Korea; Great Britain claimed a sphere of influence in the Yangtsi Valley of China and France in the Southern Chinese provinces; the United States disputed the possession of the Island and Cable-station of Yap with Japan.

The Calling of the Washington Conference. In the midst of the negotiations started by Great Britain and the Imperial Conference leaders as to a Pacific Conference, President Harding of the United States on July 10 issued the following official statement: "The President, in view of the far-reaching importance of the question of limitation of armaments, has approached with informal but definite enquiries the group of Powers heretofore known as the Principal Allied and Associated Powers—that is, Great Britain, France, Italy and Japan—to ascertain whether it would be agreeable to them to take part in a Conference on this subject to be held in Washington at a time to be mutually agreed upon. If the proposal is found to be acceptable, formal invitations for such a Conference will be issued. It is manifest that the question of limitation of armaments has a close relation to Pacific and Far Eastern problems, and the President has sug-

gested that the Powers especially interested in these problems should undertake, in connection with this Conference, the consideration of all matters bearing upon their solution, with a view to reaching a common understanding with respect to principles and policies in the Far East." It was, at the same time, announced that the British Empire, France, Italy, Japan and China had officially accepted the invitation—Japan, however, not including the Far East reference in its reply. Later the Governments of Holland, Portugal and Belgium were included and accepted, while the U. S. State Department proceeded to prepare an Agenda for consideration and sent it to the various Foreign Offices concerned as being "essentially suggestive and subject to amendments." It was as follows:

1. Limitation of Naval armaments, under which shall be discussed:
 (a) Basis of limitation,
 (b) Extent
 (c) Fulfilment
 (d) Rules for control of new agencies of warfare
 (e) Limitation of Land armaments.

Subjects:

(a) Territorial integrity; (b) Administrative integrity.
(c) Open door—Equality of commercial and industrial opportunities.
(d) Concessions—monoplies of preferential economic privileges.
(e) Development of Railways, including plans relating to Chinese railways.
(f) Preferential railway rates; (g) Status of existing commitments.

2. Questions relating to Siberia; 3. Mandated Islands.

In the British Parliament on July 11 the Prime Minister made a careful statement as to the matter and first reviewed the attitude of the Empire toward the Japanese Treaty and of the Imperial Cabinet or Conference as to the proposed Pacific Conference. As to the rest: "I welcome with utmost pleasure President Harding's wise and cautious initiative. In saying this I know that I speak for the Empire as a whole. The world has been looking to the United States for such a lead. I am confident that the House will esteem its act as far-seeing statesmanship and whole-heartedly wish it success. Let me add only one word as to the part played in these events by the Imperial Conference. x x x We have taken counsel together without reserve, with the result that is before us." To *The Times* on this date the Prime Ministers of Canada, Australia and New Zealand sent important messages of congratulation. Mr. Meighen said:

> It was with the greatest satisfaction that I learned of President Harding's notable announcement. To a distracted world it offers a new hope, a promise of relief from the uncertainities and apprehensions that have clouded the future. Nowhere will it be welcomed more eagerly than in Canada; for it has been the unwavering belief of Canadians that the issues involved in the question of armaments, as well as the closely connected problems of the Pacific and the Far East, can be best settled by full and frank consultation among the nations chiefly interested—that is, by the method of free conference.

The invitation was wider than the Borah Resolution because it included Land armament; it was wider than the Imperial

Conference proposals because it included other countries. Mr. Hughes of Australia and Mr. Massey of New Zealand, however, persisted in their desire for a preliminary Pacific Conference and to this the Canadian Premier gave his support but on July 20 President Harding and the U. S. Secretary of State (Mr. Hughes) announced their opposition to any change in the programme. The proposal was, therefore, dropped and on Aug. 18 Mr. Lloyd George made the important statement in the Commons that: "If the Alliance with Japan can be merged into a greater understanding with Japan and the United States on all the problems of the Pacific, that would be a great event, and it would be a guarantee for the peace of the world." Until that happened, however, Great Britain would stand by its agreements and treaties. In that respect: "The British Empire must behave like a gentleman."

Following these events and the President's tentative suggestions of July 10 a formal invitation was, on Aug. 11, sent to the Powers already specified in a despatch which pointed out the tragic burdens and rivalries of armaments amongst great and little nations alike; the difficulties of the current situation and need of "a practical effort to remove causes of misunderstanding and to seek ground for agreement as to principles and their application." Mr. Harding then added: "There would seem to be no ground to expect the halting of these increasing outlays unless the Powers most largely concerned find a satisfactory basis for an agreement to effect their limitation. The time is believed to be opportune for these Powers to approach this subject directly and in Conference; and while, in the discussion of armament, the question of Naval armament may naturally have first place, it has been thought best not to exclude questions pertaining to other armament. It may also be found advisable to formulate proposals by which, in the interests of immunity, the use of new agencies of warfare may be suitably controlled. It is the earnest wish of this Government that through an interchange of views, with the facilities afforded by a Conference, it may be possible to find a solution of Pacific and Far Eastern problems of unquestioned importance at this time." China was invited in special terms; the British Dominions were included in the invitation to Great Britain. As eventually settled the Delegates to the Conference were as follows:

United States	Charles E. Hughes	Secretary of State
	Hon. Elihu Root	Ex-Secretary of State
	Henry Cabot Lodge	Republican Leader in the Senate
	Oscar W. Underwood	Democratic Leader in the Senate
British Empire	*Rt. Hon. A. J. Balfour	Lord President of the Council
	Lord Lee of Fareham	First Lord of the Admiralty
	Rt. Hon. Sir R. L. Borden	Ex-Prime Minister of Canada
	Rt. Hon. V. S. Srinivasa Sastri	Vice-Regal Council of India
	Senator George F. Pearce	Australian Minister of Defence
	Sir J. W. Salmond	Supreme Court of New Zealand
France	Aristide Briand	Prime Minister of France
	Jules Jusserand	French Ambassador at Washington

*Note.—Mr. Balfour also represented South Africa.

France	René Viviani	Ex-Prime Minister of France
	Albert Sarrant	Minister of Colonies
Portugal	Senhor de Vasconcellos	Member of Government
Belgium	Cartier de Marchienne	Ambassador at Washington
Holland	Joukheer H. A. Van Karnabeek	Dutch Foreign Minister
Italy	Carlo Schanzer	Ex-Minister of Finance
	Filippo Medo	Leader of the Catholic Party
	Senator Luigi Albertini	Editor of Corriere de la Sira
	Senator Rolandi Ricci	Ambassador to Washington
Japan	Tomosaburo Kato	Minister of Marine
	Prince Tokugawa	President of the House of Peers
	Kijuro Shidehara	Ambassador at Washington
	Masanao Hanihara	Vice-Minister of Foreign Affairs
China	Dr. S. Alfred Sze	Minister at Washington
	V. R. Wellington Coo	Minister to Great Britiain
	C. C. Wu	South China Government
	Wang Chung-hui	Chief Justice of Supreme Court

Sir Auckland Geddes, British Ambassador at Washington, was to act as a Delegate in the absence of the British Prime Minister or any other British Delegate. The Delegations of the Powers were accompanied by a large number of advisers—political, naval, military, etc. Asssitant Secretary of the Navy Theodore Roosevelt and Admiral Robert E. Coontz, Chief of Naval Operations, were among the naval advisors to the American Delegation; Marshal Ferdinand Foch advised the Delegation from France; Admiral of the Fleet Earl Beatty was senior Naval expert of the British Delegation; General the Earl of Cavan was chief of the British Military Delegation. By the time the Conference opened subjects for discussion had greatly increased and included the Territorial integrity of China, the open door in that country of confusions, the regulation of spheres of influence and stabilization of Chinese conditions, policy of the Powers in Eastern Siberia, the Japanese possession of part of the Island of Sakhatui, the matter of Chinese and Japanese emigration, the fortification or dismantling of American and Japanese outposts in the Pacific.

The United States Policy and Programme. The most interesting and striking event of the Conference and one of the most important of the whole year—to the British Empire and to Canada more, perhaps, than to any other Power or group of Nations—was the address of the U. S. Secretary of State after the opening ceremonies on Nov. 12. The Conference was held in the Continental Memorial Hall not far from the White House; the gallaries were filled with everybody who was eminent in the administrative, political, diplomatic, social, judicial and general life of the Capital; the President of the United States was in the chair and delivered a brief speech of welcome and then retired.

Mr. Harding's address emphasized the words "simplicity, honesty, honour," as the basis of American policy in this Conference, and it included some very forceful paragraphs of which the following is typical: "Out of the cataclysm of the World War came new fellowships, new convictions, new aspirations. It is ours to make the most of them. A world staggering with debt needs its burden lifted. Humanity, which has been shocked by wanton destruction, would minimize the agencies of that de-

struction. Contemplating the measureless cost of war and the continuing burden of armament, all thoughtful peoples wish for real limitation of armament and would like war outlawed. In soberest reflection the world's hundreds of millions, who pay in peace and die in war, wish their statesmen to turn the expenditures for destruction into means of construction, aimed at a higher state for those who live and follow after." Mr. Secretary Hughes then took the chair, announced that French and English would be the official languages of the Conference and, on motion of Mr. Balfour, became permanent Chairman of the gathering. Instead of proposing an expected adjournment he made the speech which sprang upon the world a fresh note of forceful peace, of resolute statecraft, of prepared and explicit policy. There was, of course, a general exposition of previous Peace efforts, of War conditions and the present situation. Then came the announcement which turned the galleries and audience into a most undiplomatic uproar of enthusiasm and caused tremendous though unexpressed astonishment amongst the assembled diplomats:

The question, in relation to armaments, which may be regarded as of primary importance at this time, and with which we can deal most promptly and effectively, is the limitation of Naval armament. The core of the difficulty is to be found in the competition in Naval programmes, and that, in order appropriately to limit Naval armament, competition in its production must be abandoned. Competition will not be remedied by resolves with respect to the method of its continuance. One programme inevitably leads to another, and if competition continues, its regulation is impracticable. There is only one adequate way out and that is to end it now.

It would seem to be a vital part of a plan for the limitation of armament that there should be a Naval holiday. It is proposed that for a period of not less than 10 years there should be no further construction of capital ships. I am happy to say that I am at liberty to go beyond these general propositions and, on behalf of the American delegation acting under the instructions of the President of the United States, to submit to you a concrete proposition for an agreement for the limitation of Naval armament. It should be added that this proposal concerns the British Empire, Japan and the United States. Four general principles have been applied:

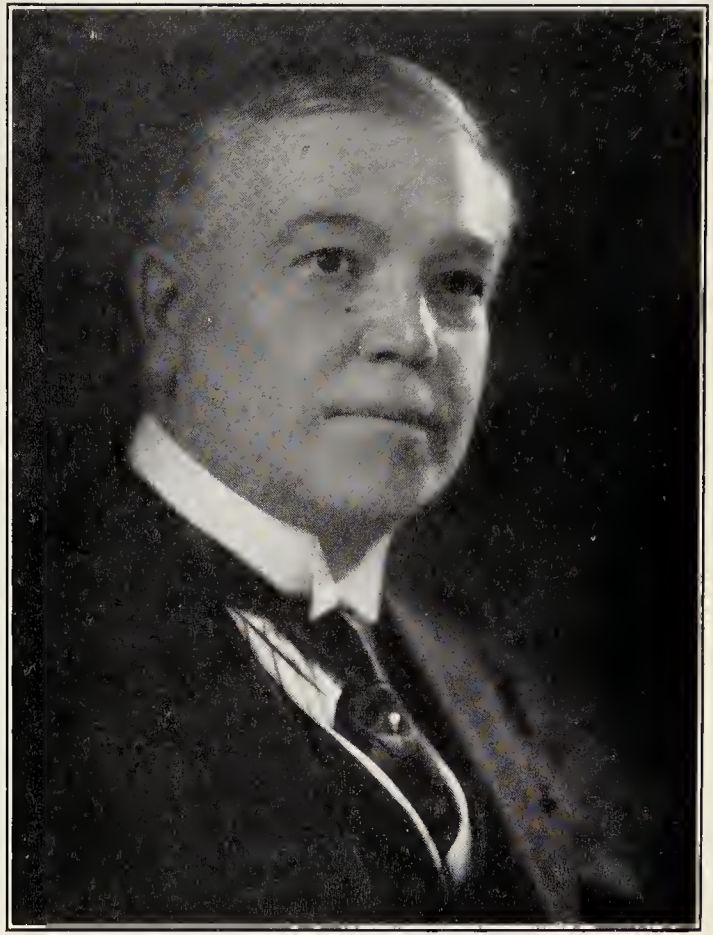
1. That all capital shipbuilding programmes, either actual or projected, should be abandoned.
2. That further reduction should be made through the scrapping of certain of the older ships.
3. That, in general, regard should be had to the existing Naval strength of the Powers concerned.
4. That the capital ship tonnage should be used as the measurement of strength for Navies and a proportionate allowance of auxiliary combatant craft prescribed.

The United States proposes: (1) To scrap all capital ships now under construction. This includes six battle cruisers and seven battleships on the ways and in the course of building, and two battleships launched. (2) To scrap all of the older battleships up to but not including the *Deleware* and *North Dakota*. The number of these old battleships to be scrapped is 15.

It is proposed that Great Britain: (1) Shall stop further construction of the four new Hoods, the new capital ships not laid down, but upon



THE HON. SIR LOMER GOUIN, K.C.M.G., K.C., LL.D., M.P.
Appointed Dominion Minister of Justice in 1921.



THE HON. RODOLPHE LEMIEUX, K.C., LL.D., M.P.
Announced in 1921 as the coming Speaker of the House of Commons.

which money has been spent. (2) Shall, in addition, scrap her pre-Dreadnoughts, second line battleships and first line battleships, up to but not including the King George V class.

It is proposed that Japan: (1) Shall abandon her programme of ships not yet laid down. (2) Shall scrap three capital ships and four battle cruisers in course of building, and the *Atoga* and *Takao*, not yet laid down, but for which certain material has been assembled. (3) Shall scrap all pre-Dreadnoughts and battleships of the second line.

The total tonnage involved in these proposals was 1,878,043 with 70 capital fighting ships built and building to be scrapped—the figures by nations being 23 ships of 583,375 tons for Great Britain, 30 ships of 845,740 tons for the United States and 17 ships (with 6 more not yet begun) of 448,928 tons for Japan. Other proposals of a technical character were outlined together with restrictive plans for replacement under which there would be an agreed maximum of capital ship replacement at the end of ten years totalling 500,000 tons each for Great Britain and the United States and 300,000 tons for Japan; there was, also, provision for limitation of auxiliary surface combatant craft. The speech closed quickly but the Galleries demanded speeches from Italy, China and Japan and they had them. When the Conference met again on Nov. 15 the British Empire, Japan, France and Italy announced their decision to adopt the American proposals in principle and to study the details in Committee so as to prepare a practicable settlement.

British Policy and Action. Mr. Balfour in personal *prestige*, magnetism and diplomatic ability, dominated many phases of the Conference; the British viewpoint, though not the most sensational or most discussed, was, perhaps, the most important at the gathering. The British Empire still was the dominant sea-power of the world; its Pacific interests were much the greatest of the ocean-bordering Powers; its Oriental interests in all aspects of co-ordinated strength were the largest of all the nations—East or West. As General Lord Horne put it at this time (London, June 11, 1921): "The British Empire began with the Navy. It rose from the sea and lives by the sea and if it dies, it will die by the sea."

As a former Prime Minister of Great Britain and head of the British Delegation, Mr. Balfour did the tactful thing, which was to him so often the instinctive one, in crossing on the C. P. O. S. *Empress of France* to Quebec where he landed on Nov. 8 and gave an interview in carefully worded and concise phrases which emphasized in every line the import of the coming gathering: "I do not believe this Conference can do everything. I am firmly convinced that it can do much. And I am absolutely confident that of all the steps that are now, I hope, being gradually made towards a better and improved international world, the step this Conference will take will prove to be, of all history, one of the greatest. With that hope I go to Washington." A personal tribute to Sir Robert Borden as one of the British Empire

Delegation, and to his "long and ripe experience" followed. To Canadians Mr. Balfour said: "I am sure no body of men will rejoice more at such a result than my countrymen of Canada. All our interests are bound up in the problem of the Pacific—one of the great problems, the greatest problem with which the Disarmament Conference will have to deal. In this problem Canada is immediately interested, because it finds itself abutting on the Pacific, and is therefore deeply concerned in all the questions that affect Pacific power." At the Conference itself, where Mr. Balfour spoke for the British Empire on Nov. 15, and following the impressive pronouncement of Mr. Hughes, he made this pregnant statement:

> The British Empire and Great Britain are more profoundly concerned in all that touches Naval matters than any other country—and this not for any reasons of ambition, but from hard brutal necessities and obvious facts. There never has been in the history of the world an Empire so constituted as the British Empire.
>
> Supposing your Western States were suddenly removed 10,000 miles across the sea; that the very heart of this great State was a small and crowded island dependent upon overseas communications not merely for its trade, but for the food upon which it subsists; supposing it was a familiar thought among you that at no moment in the year was there more than seven weeks' food supply; then you would understand why every citizen of the British Empire, in the Dominions, or at home, never can forget that it is by sea communications that we live, and that without them we should cease to exist. x x x We have considered the great scheme laid before us by our Chairman. We have considered it with admiration and approval. We agree with it in spirit and in principle. We think that the proportion between the various Navies is acceptable, that the limitation of the amounts is reasonable, and that it should be accepted.

During the ensuing weeks of continuous negotiation, anxious discussion and careful consideration of detailed conditions and statements furnished by the greatest Naval experts in the world—from varied countries and often diverse points of view—Great Britain was behind the United States delegation in an effort to smooth the diplomatic path and co-ordinate the conflicting points of view. Especially potent was Mr. Balfour's attitude with the Japanese delegation and regarding the issues which confronted them at home as well as in Washington. Great Britain was the acknowledged friend of Japan and her influence went far in paving the way for the final compact of the Pacific nations—one which broke the diplomatic isolation of the United States, eliminated the suspicious sentiments of Japan, solved the problems of the Japanese-British Treaty and wove a further bond of friendship between Britain and the United States.

One of the subsidiary issues in which the British delegation was most concerned was that of Submarines. The United States proposals as to limiting auxiliary craft included a suggested allowance of 90,000 Submarine tonnage to Great Britain, 90,000 to the United States, and 54,000 to Japan. According to a state-

ment submitted by Lord Lee of Fareham (Dec. 22) the existing Submarine tonnage of the Powers concerned was as follows: United States, 83,500; Great Britain, 80,500; Japan, 32,200; France, 28,360, and Italy, 18,250. He contended, in an able speech, that the Submarine was ineffective as a weapon in legitimate Naval warfare and that the British Grand Fleet had been hardly affected by the German U-boat campaign; that 15,000,000 British troops had crossed and recrossed the English Channel in safety while 2,000,000 American troops were brought across the Atlantic; that, however, the German Submarines had sunk 12,000,000 tons of mercantile shipping, valued at $1,100,000,000, in defiance of all law human and Divine. Both he and Mr. Balfour earnestly contended that Submarines should be abolished entirely. They declared that Great Britain was ready to scrap her whole Submarine navy—the largest and most efficient in the world—if the other Powers would do the same.

Mr. Hughes, in presenting the American case, amended Lord Lee's figures as to the number of Submarines in detail, though not in effect; the French Delegation approved the use of the Submarine under certain restrictions as did the Italians; Mr. Hughes claimed in turn that all were agreed that the illegal use of the Submarine could not be tolerated. Reports and arguments defended the Submarine as a defensive weapon against a Power with a great Navy and as an instrument for use by weak naval nations; the United States, it was argued, needed a large force of this kind to protect its outlying possessions and interests. France and Britain took sharp issue on this subject and Mr. Balfour (Dec. 23) said: "Is there any man who knows what occurred in the late War, is there any man who knows what must occur in the course of any future war, who doubts that if submarines are sent on their dangerous and difficult mission on the high seas—it is for something more important than the remote chance of destroying some well-guarded and efficient ship of war—and that if they are once let loose to deal with merchantmen it is incredible that in the stress of war their powers will not be abused in the future as they have been so grossly abused in the past?" The destruction of commerce was their aim and end.

Finally, a compromise reduction was discussed but Japan, France and Italy refused to accede; the only result outside of the original American figures and plan was the placing upon record by Mr. Balfour of the views of the entire British Empire Delegation that the "use of submarines, while of small value for defensive purposes, leads inevitably to acts which are inconsistent with the laws of war and the dictates of humanity, and the Delegation desires that united action should be taken by all nations to forbid their maintenance, construction or employment." France had killed the possibility of Submarine reduction

or abolition. On Dec. 28 Mr. Elihu Root presented the Resolutions defining and condemning the illegal use of Submarines and these were eventually passed. Here again the French and British clashed in argument and speech; while M. Stephane Lausanne and other French correspondents wrote pungent articles criticizing Britain, H. G. Wells and others fiercely attacked France; though Britain was willing to lower her Naval supremacy if not abolish it, France, it was charged, would neither reduce her Submarine forces nor her military armament. The eloquent plea of M. Briand in this latter connection, however, had a tremendous effect upon the Conference.

Canada and the Dominions at Washington. Great Britain and the United States, in days when Canada was but a tiny strip of occupied and organized territory along the northern border of the Republic, had set an example in the disarmament of the Great Lakes which might well have been copied during the century which followed the limitation of armed shipping in the Rush-Bagot agreement of 1818. In 1921 Britain, Canada and the United States were again associated in a wider and greater effort at naval disarmament; the sphere being the Pacific ocean instead of the Great Lakes of North America. Speaking at New York on Nov. 4 Sir Robert Borden eulogized this practically unbroken Peace arrangement of a century and the important International Joint Commission organized in 1909 which also "expressed the cardinal and controlling principle of determining international questions by arbitrament of a permanent tribunal."

There was some question raised at the outset as to the proper form of representation of the Dominions at the Conference. Separate representation was sought but there were difficulties in the way. Primarily it was a Conference of Pacific Powers and South Africa was not directly interested in the Pacific; diplomatically and internationally, there was a British Empire but no independent Dominions recognized as separate nations; the so-called Versailles precedent was hardly effective as invitations to that gathering had gone through the British Government as a result of vigorous British pressure upon the Powers and not from the Powers direct. On Oct. 7 it was announced that there would be six British Empire delegates and that Great Britain would divide the representation with the three British countries concerned in the Pacific—Australia, India and Canada. Mr. Lloyd George cabled the Premier of Australia urging him to be one; General Smuts stated at Pretoria on Oct. 23 that South Africa did not expect an invitation and that the United States attitude was "a direct challenge to Dominion Status." Finally, and no doubt under British pressure, the Empire Delegation was increased to seven with New Zealand and South Africa also represented and Sir Auckland Geddes acting in place of the British Prime Minister.

The Canadian party, including Sir R. L. Borden, who was accompanied by Lady Borden, and A. W. Merriman of the Department of External Affairs, Ottawa, arrived in Washington on Nov. 5, preceded by L. C. Christie, of the same Department; Senator Pearce and Sir John Salmond from Australia and New Zealand arrived at Victoria on the 6th and a few days later reached the American capital. The Canadian delegation was housed in the same hotel as the British and Sir Robert was in continuous touch with the latter and with the Government at Ottawa. According to one correspondent—J. A. Stevenson—the Canadian delegate was, after Mr. Balfour, the most important member of the British delegation.

Immediately after the proposals of the United States for the reduction of Naval armaments were made by Mr. Hughes (Nov. 12) the subject was taken into consideration by the British Empire Delegation. Sir Robert Borden strongly urged that the American proposals should be accepted in spirit and in principle. He also expressed his conviction that there should be a provision for periodical Conferences in order that the proposals put forward by Mr. Hughes might be effectively invested with continuity and permanence. Further he urged that an effort should be made to induce the Government of the United States to consider the paramount importance of associating that country in effective co-operation for the peaceful determination of international disputes. This he regarded as vital since the United States was not a member of the League of Nations and did not recognize the Permanent Court of International Justice, nor the means by which the jurisdiction of that tribunal could be invoked. According to press despatches he submitted a carefully prepared Memorandum along these lines. On Nov. 18 Sir Robert represented the British Delegation at a meeting with the newspaper representatives of the world who were in attendance and went through the ordeal, it was said, with flying colours as one accustomed to the American type of interview. He described many of the questions which had arisen between Canada and the Republic, and one correspondent referred to him as "a sort of walking Canadian encyclopædia." It was on this date that the Rush-Bagot agreement and the Canadian-American Joint Commission were brought before the Conference as illustrations of profitable Peace conservation.

Canada's representative was opposed to any Japanese Treaty which affected American feeling toward Great Britain, but he did not unduly press his point on this occasion; he supported Britain on the subject of Submarines and, indeed, the Empire delegation was, in the main, a unit upon the chief issues before the Conference. Sir Robert was appointed the British Empire representative on a Committee to deal with proposed reforms in the Chinese fiscal system to meet current international condi-

tions. For the numerous loans made to China Customs duties had been a favourite form of security; the proceeds of the Salt duty, for instance, would be allocated to one group of borrowers and of the Cloth duty to another. The administration of the Customs was controlled by the lenders and the leading positions in the Administration were thus held by Europeans. The Chinese wanted to raise their duties to an average of 12½ per cent.; British interests, of course, lay in keeping them as low as possible. Later on Sir Robert drafted the final Report of this Committee and upon this work and the ensuing arrangements depended much of Eastern economic stability in the future, much of Chinese political integrity, and the solution of the Railway construction problem. Meanwhile, Senator G. F. Pearce of Australia represented the Empire on the Extra-Territoriality of China Committee.

It was stated by special correspondents of the Canadian press that during this period a flood of telegrams and letters were received at the Canadian delegation's headquarters; they contained resolutions endorsing the objects of the Conference and pledging support to the Canadian delegate, or they offered advice and suggestions as to what the Conference should undertake. These messages came from Women's Institutes, from the Inter-Church Advisory Council, from the Ministerial Associations and various Church Societies, from W. C. T. U. branches, I. O. D. E. Chapters, Orange and Masonic lodges, Business Women's Clubs, Kiwanis and other organizations. Opinion in the Dominions was strongly favourable to disarmament and Peace proposals of a varied nature. Mr. Hughes at Melbourne declared that the proposals of Mr. Hughes at Washington were practical and the outlook hopeful; Mr. Massey at Wellington thought they meant peace for the Pacific; the Cape Town *Times* stated that Britain had deliberately abstained from anything in the nature of competitive building and would go to the Conference with clean hands to urge the principle of disarmament as necessary for the salvation of the world; the Melbourne *Argus*, the Sydney *Herald*, the Brisbane *Daily Mail*, the Wellington *Dominion*, were all hopeful of results and anxious for definite action.

At Washington on Dec. 1st Mr. Balfour was quoted as saying that, in the negotiations: "Canada and her sister Dominions have been of the greatest possible assistance. From the very beginning of the proceedings they have worked in complete accord. With the delegates from the Mother Country they have been of mutual assistance and advice, and have worked together to bring about a settlement of the different problems with which they have been faced." On the 11th Sir Robert Borden issued a statement declaring that: "Four great nations have solemnly agreed that every controversy between any of them arising out

of a Pacific question and capable of settlement by diplomatic methods shall be brought to a joint Conference of all four Powers, and shall be there considered and adjusted. The purpose is to create the custom and establish the practice of Conferences for peaceful settlement of International differences." On the 29th the Canadian Delegate spoke strongly to the Conference in support of the Root Resolution as to restricting the use of the Submarine; he had stood with the rest of the Empire group in favour of its total abolition.

Conference Delegates Visit Canada. The first of these notable visitors to Canada was Admiral of the Fleet, Earl Beatty, G.C.B., O.M., G.C.V.O., D.S.O. He had received many honours and compliments in the United States; he was welcomed in Canada as the chief of British Naval heroes and as one of its own. At Ottawa on Nov. 26 he addressed a brilliant gathering of the Canadian Club with G. J. Desbarats in the chair. After a reference to the difficult task of keeping the seas safe for men and munitions passing to the front, Lord Beatty said: "We don't claim in the British Navy that we won the War. But we do claim that we made victory possible. Without the British Navy the heart of the British Empire would have starved in six weeks. In 42 days the British Empire would have been conquered for lack of food and supplies which came from over the seas. Without the British Navy, those gallant armies from England, from Canada ,from Australia, from India would not have reached the battle-fields." As to the Conference, "on Naval questions all goes well," he said: "If the Conference were to close its doors to-morrow it would have accomplished something toward releasing the world from the great burden of armaments and the taxation it involves."

In the afternoon he was welcomed by the G. W. V. A. of Ottawa. At Montreal on the 27th the Admiral had a quiet yet busy Sunday under the official ægis of the Dominion Government. He attended Christ Church Cathedral in the morning and lunched at noon with the Canadian Club, toured the city in the afternoon and attended a private dinner by Hon. C. C. Ballantyne at the Mount Royal Club in the evening. In Toronto on the 28th he held an informal Reception at the City Hall, lunched with the Canadian Club and attended a meeting in Massey Hall under the auspices of the Navy League of Canada, visited Christie Street Hospital and Hart House. To the Canadian Club Lord Beatty said: "I believe that the feeling and spirit which is being shown in carrying out the Conference to-day is a sure indication that, whatever comes out of it, there will be a binding together of the English-speaking nations of the world." To the Navy League, whose Ontario Branch President, Sam Harris, presided, he spoke with emphasis: "You have recognized that communication between different parts of the Empire is by sea, and

therefore it is essential—indeed it is absolutely necessary—that the command of the sea should be held to enable the British Empire to exist as an Empire."

Marshal Ferdinand Foch, the great commander of the greatest combination of armies the world had ever seen, was received at Ottawa on Dec. 11 with every token of official respect and popular regard. He attended the Basilica service in the morning, accepted a Reception given by the Canadian Club and Alliance Francaise, received the Hon. degree of LL.D. from Ottawa University, and visited the G. W. V. A. Club. At Montreal on Monday the Marshal was given a great reception with rounds of cheers from throngs of people as he drove in semi-state through the city or passed from one place to another. He accepted an Hon. degree from the University of Montreal and inaugurated the French Commercial Exhibition at the Ecole des Hautes Etudes Commerciales; attended a reception by the French Consul and the French Colony in the Armouries, another reception by the Canadian Club in His Majesty's Theatre, and a third by the Alliance Francaise in Windsor Hall; listened to many addresses of welcome and spoke briefly at each stopping place. Then he dined with the G. O. C. and officers of Military District No. 4 at the St. James's Club, and left for Quebec by special train at 11 p.m.

In his addresses the pivotal point was that while the unity of command on the Western Front was credited with having been the means to victory, that unity would have been unavailing had there not been behind it solid unity of purpose and that an equally strong feeling of unity was still necessary, in order that efforts in peace might be as fruitful in success as were the joint efforts in war. At the Canadian Club, Col. A. A. Magee presided and Sir Arthur Currie spoke as to the personality and services of their guest at some length; Marshal Foch, in reply, first declared that when action was needed "we always found reserves, a storage of energy, in certain troops, certain corps, and in the first rank of these I place the Canadian corps." To the Alliance Francaise he said: "Alliance—yes we shall have victory in peace as we had it in war, by remaining allied. I salute here that force which results from union, and which is consecrated in this country of the British and French flags, the land of the French-Canadian." Everywhere the Marshal spoke briefly and to the point, but it was response to personal welcomes and tributes; practically no reference was made to the Conference. Lack of time and, perhaps, the personal weariness of an old and greatly-worn soldier prevented acceptance of the Toronto and other invitations.

More to the point as to Conference issues was the visit of General the Earl of Cavan, K.P., G.C.M.G., K.C.B., Commander of the British Forces in Italy at the critical juncture of the War, head

of the British military mission at the Conference and destined a little later to be appointed to the highest military position in England. Lord Cavan was in Toronto on Dec. 19 and addressed a luncheon of the Canadian Club with J. M. Macdonnell in the chair and a joint dinner of the Empire and Young Men's Canadian Clubs with Brig.-Gen. C. H. Mitchell, C.B., C.M.G., D.S.O., presiding. At the former function he declared that "the Conference at Washington had accomplished something of vast importance regarding the Pacific area, for it "insured peace for at least ten years over one-third of the globe." At the latter the speaker referred first to the vast Imperial responsibilities of England and of the Empire's Foreign policy. Then he dealt with the Conference: "It is tremendously genuine, this business. Do you realize that three of the greatest Powers are going to give up possessions in China; France surrenders Kiao-Chao, Great Britain Wei-hei-Wei, and Japan Shantung. Two things stick right out of the Conference: First the honesty of purpose of the Powers, and, secondly, the determination to achieve. In spite of rumours, the Conference, both in committees and public meetings, has been characterized by the most astounding frankness on the part of all the nations; all the cards were put on the table." A brief visit, also, was made to Montreal.

A non-official visitor and one associated with some curious incidents of the year was Henry Wickham Steed, Editor of the London *Times*, who addressed the Canadian Club of Montreal (Dec. 27) and of Toronto (Dec. 28) on the Conference and the Empire. On the former occasion he described Mr. Balfour as the outstanding man of the Conference and its success as "stupendous"; stated that Canada was "the fulcrum on which the great turn came in British policy"—meaning, no doubt, the attitude of the Dominion as to the Japanese Treaty. He added the statement that four months before the Washington Conference the British Government told the American Government that if they, in their scheme for the limitation of naval armaments, counted upon equality, Britain would make no difficulty. In Toronto he described the possibility of an American-Japanese war as chiefly a British issue because of Canada's geographical position; declared that Mr. Meighen at the Imperial Conference had been sensible of the danger, had advised against the renewal of the Anglo-Japanese pact and by that advice had greatly served Canada and the Empire. The American Delegation at Washington had "played the game" in every respect, even to the extent of insisting that press notices should be given out to the American papers, only through Lord Riddell, the British press agent!

The Results of the Conference. Though the meeting ran on into January, 1922, its main issues were settled at the close of the year. The great central question was focussed into a Treaty and signed by the 4 great Powers on Dec. 13, 1921—the United

States, the British Empire, France, and Japan. Under this agreement the four Powers mentioned, "with a view to the preservation of the general peace and the maintenance of their rights in relation to their insular possessions and insular dominions in the regions of the Pacific Ocean," decided and agreed (1) that if a dispute should arise out of any Pacific question and not be settled by diplomacy, a joint Conference should be held "to which the whole subject will be referred for consideration and adjustment"; (2) that if the rights of any of these Powers in Pacific regions should be threatened by any other Power, council would be taken "fully and frankly" as to the most efficient measures to be taken, jointly or separately, to meet the exigencies of the particular situation; (3) that the term of this Treaty should be for 10 years from date of coming into operation and continue thereafter subject to 12 months' notice by any one of the high contracting parties; (4) that upon the deposit of ratification at Washington the agreement between Great Britain and Japan, which was concluded at London on July 13, 1911, should terminate.

The Treaty was signed by the American Delegates on behalf of the President of the United States of America; by the British Empire Delegates on behalf of "His Majesty the King of the United Kingdom of Great Britain and Ireland and the Dominions beyond the Seas, Emperor of India—and for the Dominion of Canada, for the Commonwealth of Australia, for the Dominion of New Zealand, for India"; by the French Delegate on behalf of the President of the French Republic, and by the Japanese on behalf of His Majesty the Emperor of Japan. Mr. Balfour, Sir Auckland Geddes, and Lord Lee of Fareham signed for Great Britain, Sir Robert Borden for Canada, Senator Pearce for Australia, and Sir John Salmond for New Zealand. Mr. Secretary Hughes, Senators Lodge and Underwood and Mr. Root signed for the United States.

In his address to the Conference announcing acceptance of the Treaty, on Dec. 10, Senator Lodge described it as removing some of the causes of war and as "a great experiment" resting upon the will and honour of those who signed it; Mr. Balfour—who was at the head of the Government which negotiated the first Japanese Treaty and arranged the *Entente Cordiale* between Great Britain and France—paid tribute to the Anglo-Japanese Treaty as having served "a great purpose in two great wars" and, for 20 years, "stood the strain of common sacrifices, common anxieties, common efforts, common triumphs." René Viviani accepted for France in a speech of pathos and hope. As to the new Treaty there was no promise of force in it; there was abundance of co-operative action pledged. It removed causes of friction and did not apparently create any; it was not an alliance, it was merely an understanding along lines of peace and harmony; it, however, did bring the United States into a formal

recognition of common obligations entailed by common international action. The United States, however, had a Reservation which expressed non-assent to the terms of the Versailles Treaty in respect to Mandated Islands in the Pacific and retained the liberty to make arrangements with the Powers concerned as to these Islands. Other results of the Conference were as follows:

1. An agreement to limit Naval armament—the acceptance by the United States, the British Empire and Japan of the 5-5-3 ratio, whereby 1,775,000 tons of warships would be scrapped by the United States, Britain and Japan.
2. Acceptance of general principles to be followed toward China as follows: (a) to respect its sovereignty, independence and territorial and administrative integrity; (b) to give China every opportunity to develop and maintain for herself an effective and stable government; (c) to establish and maintain equality of commercial opportunity for all nations throughout the territory of China; (d) to refrain from taking advantage of the present situation in order to seek special rights or privileges which would abridge the rights of the subjects or citizens of friendly States and from countenancing action inimicable to the security of certain States; (e) not to enter into any arrangements with each other or with other Powers which would infringe or impair the foregoing principles.
3. Assent of the Powers to the principle that the rights of China as a neutral should be fully protected in case of a war in which China did not take part.
4. Agreement of eight Powers to appoint a Commission to report on the question of extra-territoriality and the present judicial system in China with a view to preparing the way for the ultimate abolition of this principle.
5. The institution of direct negotiations between China and Japan as to the settlement of the Shantung question; the expressed willingness of Great Britain to relinquish her Naval base at Wei-hai-Wei and of France to surrender its leasehold in Kwantung; the settlement of the Yap controversy by Japan retaining political control of the Island, with American cable rights for the Yap-Guam line and assuring potential rights for a Radio station with engagements that the Island would not be fortified.
6. Recognition of Japan's mandatory rights over the former German islands north of the equator, with the specific understanding that these islands should not be used as military or naval bases, nor fortifications erected upon them.
7. Agreement as to limit on Aircraft Navy carriers to 135,000 tons for Great Britain and for the United States, 81,000 for Japan, 60,000 for France and 54,000 for Italy.
8. Approving the prohibition of use in war of asphyxiating, poisonous or other gases and all analogous liquids or materials or devices.
9. Permission to China to increase its Tariff so as to raise $46,167,000 of additional revenue and pledge to withdraw Foreign troops from that country whenever the security of foreigners in China was assured.

The settlement of many of these issues was affected by the powers and policy of the Committee on the Pacific and Far Eastern questions of which Sir Robert Borden was a most active member. The 5-Power Naval Treaty or Agreement as to Naval reduction, finally announced on Dec. 16, scrapped 28 United States ships of 845,740 tons; 17 Japanese ships of 447,308 tons; 23 British ships of 605,975 tons. The total was 68 ships of 1,876,423 tons compared with 66 ships of 1,878,043 under the orig-

inal proposals. The maximum tonnage of capital ships was fixed, for the purpose of replacement, on the basis of American standards of calculation, as follows: United States 525,000 tons; Great Britain, 525,000 tons; Japan, 315,000 tons. The Treaty as eventually signed, included all the great Naval Powers—the United States, Great Britain, France, Italy and Japan. The British Empire signatures were those of Mr. Balfour, Lord Lee and Sir A. C. Geddes for Great Britain; Sir R. Borden for Canada; Hon. G. F. Pearce for Australia; Sir J. W. Salmond for New Zealand; Mr. Balfour for South Africa, and Srinivasa Sastri for India.

LIST OF TREATIES ACCEPTED AND SIGNED BY CANADA FOLLOWING THE TREATY OF VERSAILLES AND UP TO JAN. 1st, 1921.

Treaty	Date of Signature			Signed by
Peace Treaty with Austria	Sept.	10	1919	Sir Edward Kemp
Peace Treaty with Bulgaria	Nov.	27	1919	Sir George Perley
Protocol accepting Statue of Permanent Court of International Justice	Sept.	16	1920	Phillippe Roy
Commercial Agreement with France	Jan.	29	1921	Sir George Foster
Treaty for the Revision of Berlin and Brussels Acts	Sept.	10	1919	Sir Edward Kemp
Treaty with Czecho-Slovakia re Minorities	Sept.	10	1919	Sir Edward Kemp
Treaty with Serb-Croat-Slovene State re Minorities	Sept.	10	1919	Sir Edward Kemp
Convention regarding Liquor Traffic in Africa	Sept.	10	1919	Sir Edward Kemp
Arms Traffic Convention	Sept.	10	1919	Sir Edward Kemp
Treaty with Roumania re Minorities	Dec.	9	1919	Sir George Perley
Treaty of the 9th Feb., 1920, regarding Norway's Sovereignty over Spitzbergen				Sir George Perley
Peace Treaty with Hungary	June	4	1920	Sir George Perley
Treaty with Denmark regarding Slesvig	July	5	1920	Sir George Perley
Treaty between Principal Allied and Associated Powers and Poland, Roumania, Serb-Croat-Slovene State and Czecho-Slovakia regarding Frontiers of Central Europe	Aug.	10	1920	Sir George Perley
Universal Postal Union Convention	Nov.	30	1920	T. H. Williamson
Treaty recognizing Roumania's sovereignty over Bessarabia	Oct.	28	1920	The Earl of Derby

The Relations of Great Britain and the United States in 1921.

The relations of these two great countries had always been important to Canada; during the world-war they became absolutely vital; in the particular year under consideration all kinds of issues developed and culminated in the Washington Conference just described. There was and had been for over a century one broad line of demarkation between the Republic and the Empire in memories of the Revolution; these memories were fostered by school-books, 4th of July orations, journals of the Hearst type, extremist Irishmen, German agitators. Civil war conditions and memories also proved a source of contention. At the beginning of the World war it looked, for a couple of years, as if new and serious issues might develop. There was acrid correspondence between the Governments, there was the Hearst press, there were increasing evidences of German and Irish hostility and propaganda, there was the De Valera tour of the United States, there were the Senate Resolutions as to Ireland, there were Admiral Sims' revelations to the Senate committee (Mch. 22, 1920) as to the utterance of Admiral Benson, Chief of Naval Operations during the War: "Not to let the British pull the wool over your eyes; we would as soon fight them as the Germans."

Meanwhile, however, other and numerous matters had been gradually changing the relationship, the sentimental, diplomatic educational and newspaper outlook, of the two nations. Canada was a factor in this process, the Rush-Bagot agreement was at once an element and evidence of its existence; the visit of the Prince of Wales helped, the diplomacy of men like Bryce and Reading aided the changed conditions which war-time co-operation promoted; the Presidential elections of 1921 showed a distinct lessening in the heated utterances of preceding periods; the expected solution of the Irish question and the free discussions of the Washington Conference helped the growing amity. Historical misunderstandings began to be dissipated, even the teachings of history were amended. England supported the Sulgrave movement and honoured the memory of George Washington, there were United States movements to celebrate the anniversary of the signing of Magna Charta.

British interests in the United States at this time lay with American co-operation in reconstructing Europe and conserving world-peace; questions of trade and finance were bound up in this general issue. Rumours as to a British appeal for financial aid were answered by an official statement from the British Embassy on Jan. 13, 1920, stating that its Government had invited the co-operation of the United States in a joint action for relief and reconstruction in the suffering parts of Europe: "Any such measures, if finally agreed upon, must obviously involve no further borrowings by the people of the United Kingdom from the United States, but further advances by the United Kingdom, as well as by the United States, to countries requiring assistance." There was no doubt that Britain would have been willing at this time to consider cancellation of its War loans of $6,160,000,000 to France, Italy, Russia and other Allies, if the United States would have done something of the kind with its Loans of $9,450,000,000—of which $4,210,000,000 was to Great Britain. Maynard Keynes, the author, financier and statistician, defined the situation as follows:

1. The sums which the British Treasury borrowed from the American Treasury, after the latter came into the War, were approximately offset by the sums which England lent to her other Allies during the same period (i.e. excluding sums lent before the United States came into the War); so that almost the whole of England's indebtedness to the United States was incurred, not on her own account, but to enable her to assist the rest of her Allies, who were, for various reasons, not in a position to draw their assistance from the United States direct.

2. The United Kingdom disposed of about $5,000,000,000 worth of foreign securities, and in addition incurred foreign Debt to the amount of about $6,000,000,000. The United States, so far from selling securities, bought back upwards of $5,000,000,000 and incurred practically no foreign Debt.

The United States Government was, however, opposed to any action of this kind as it was to any direct participation in Conferences looking to the financial reconstruction of Europe. Mr. Glass, U.S. Secretary of the Treasury stated (Jan. 2nd, 1921) to a Committee of American Chambers of Commerce that: "The Government is convinced that the credits required for economic restoration must come through private channels. This Government fears

the proposed Conference would mean that many Europeans would assume that the United States was about to shoulder more of their burdens." Sir Robert Horne, a member of the British Government, and, a little later, Chancellor of the Exchequer was explicit in this connection (London, Jan. 7): "The only solution is the proposal mooted some time ago that the United States waive Britain's indebtedness, and that Britain should do the same as regards European countries. There should be forgiveness of debts all around." As to this question, A. W. Mellon, the new Secretary of the Treasury, stated to a Senate Committee on July 16, 1921 that Austen Chamberlain, British Chancellor of the Exchequer, had on Feb. 9, 1919, cabled a Treasury representative (R. C. Lindsay) at Washington that Great Britain would welcome "a general cancellation of inter-governmental war debts," and that in August, 1920, Mr. Lloyd George had written at length to President Wilson on the same subject. In the letter he said: "The British Government has informed the French Government that it will agree to any equitable arrangement for the reduction or cancellation of inter-Allied indebtedness, but such arrangement must be one that applies all around." Details were not presented but the broad idea left for consideration. Mr. Mellon told the Senate that the United States Government had considered this proposal out of the question.

Statesmen of both countries, however, were steadily developing forms of friendly expression and intercourse. Sir Auckland Geddes, British Ambassador, delivered a careful and official address at New York on May 25 describing Britain's work in the War and its place in the world-reconstruction since going on. Speaking as a Scotchman, he said: "Seeing her in that external way, judging her by what I see, I believe England is to-day spiritually greater than she has ever been. I know that she is the leader among the British nations. Day by day I scan your press and magazines, so far in a vain search, for any adequate realization of the pulsating new life within the old shell of England. x x x The people of England to-day are strongly anti-militarist, liberal, democratic, seeking no quarrel, jealous of none, hoping for world peace and determined to make great sacrifices, if necessary, to secure it." The Oil situation in Mesopotamia and elsewhere was explained as were charges of Naval domination. As to the former question, Great Britain met the United States more than half way and on Mch. 22 it was announced that she had brought about inclusion, in the Mandate terms, of a provision according to Americans the same commercial and industrial opportunities in Mesopotamia as were employed by the nationals of States which were members of the League of Nations.

The new United States Ambassador to Britain—George Harvey—said on landing at Southampton (May 10) that: "You have more than our sympathy, for there never was a time when America felt so keenly the moral obligations she owes to the Mother Country. I am directed by my Government to extend to England the full co-operation of America in all good works, and if this great Empire

and the great Republic get together, shoulder to shoulder, they cannot and must not fail to save themselves and the world." To a London banquet given Mr. Harvey on May 19, Mr. Lloyd George said, with emphasis: "The future welfare of the world depends more upon the good will, understanding and co-operation of the great English-speaking peoples than it does on any other one factor. That is the surest guarantee of a peaceful world." In unveiling a bust of Washington at St. Paul's the American Ambassador reciprocated the above remark: "Washington was a great British soldier and a great American patriot—which are much the same thing." President Harding in his cabled message referred to "the British shrines of our common patriotism" and to the occasion as "a reminder of the sacrifices that in recent times have drawn these two peoples so close together." On the same day Sir Auckland Geddes at Washington placed a memorial wreath of roses on the United States flag, as a British tribute to the American dead in the War.

Similar incidents might be greatly multiplied. One of the founders of Rotary Clubs—Paul Harris—expressed to the Edinburgh Convention on June 13 his appreciation of the enormous influence in American life of the British Pilgrim Fathers, the Y.M.C.A., the Salvation Army and the Boy Scouts. A statue of George Washington was unveiled in Trafalgar Square, London, on June 30, as a gift of Virginia to Great Britain and Lord Curzon, in accepting, declared the two peoples to be now "indissolubly one"; the London *Times* on July 4 published an American Supplement and in October, Queensland, Australia, proposed a Loan of $12,000,000 in New York—the first Australian loan in the United States; a stirring message from the King, a sutable reply from the President and the gift of the Victoria Cross to the Unknown Soldier of the United States, buried in Arlington cemetery, marked the date of Nov. 11, while the Congressional Medal was, on Oct. 17 laid by General Pershing on the tomb of the British Unknown Warrior at Westminster Abbey. It may be added that early in the year (Jan. 26) a British Empire Chamber of Commerce was organized at New York.

Incidents occurred from time to time indicative of the other kind of feeling. At Boston (Mch. 27) during the visit of the Lord Mayor of Cork, a crowd of Irish-Americans tore down a British flag and trampled it under foot; W. R. Hearst and his papers and journals maintained a bitter anti-British campaign; no Union Jack was visible on the New York City Hall flag-pole during Lord Beatty's reception, though it was frequently found along Broadway; late in December a Christmas message was sent to "the People of India" by 44 members of the U.S. Commission to Promote Self-Government in India and including ex-Governor Dunne of Illinois, the Mayor of Milwaukee, Senators Norris of Nebraska and Walsh of Massachusetts and Congressman Burke of Pennsylvania. It expressed the sympathy and support of the United States to them and "to all peoples struggling for freedom." Meanwhile, all kinds

of interests were growing up in the United States which concerned the power of Britain and the position of Canada. The Republic was sharing in the reconstruction of Europe by giving advice, with "unofficial observers" present at some of the important Conferences, or Councils, or League of Nations meetings, with Ambassadors in attendance at others, with protests against policies such as those involved in various Mandates—but with no responsibility assumed or shared until the Washington Conference gave new direction to the Foreign policy of the United States.

The Republic had expanded territorially and, in 1898, acquired the Philippines, Porto Rico, Guam and Cuba—the Treaty of 1904 gave the United States rights of intervention for "the preservation of Cuba's independence" and the maintenance of a Government "adequate for the protection of life, property, and individual liberty." During the World War it had occupied Santa Domingo, Haiti and Nicaragua upon a strictly military basis; Panama and Hawaii were other countries within its orbit of power. In the Philippines there were urgent demands for independence and formal appeals to President and Congress; in Haiti and Santa Domingo there were vigorous protests from the negro population, many allegations of oppression and cruelties under military occupation, urgent demands for withdrawal of soldiers and establishment of self-government. American journals of this year contained many articles as to these countries and the alleged abuses, mistakes, or mis-government. H. G. Knowles, formerly U.S. Minister to Santa Domingo, Manuel L. Quezon, President of the Philippine Senate, and Leader of the Indpendence movement, H. P. Krippene as to the demands of Porto Rico, W. E. Pulliam, formerly Receiver-General of Dominican Customs, were amongst those who wrote strongly on these varied problems. General Leonard Wood and W. C. Forbes, Governor-General, who were appointed by the U.S. Government to investigate and report upon Philippine demands for independence, reported at length on Oct. 8, 1921, against any serious concession to separationist activities and urged that "under no circumstances should the American Government permit to be established in the Philippine Islands a situation which would leave the United States in a position of responsibility without authority."

These conditions afforded interesting points-of-view and policy as compared with British Colonial action and polity; the above warning involved conditions similar to the British situation in the Dominions, except that the latter showed co-operation in all essentials. Other American matters of import to Canada included Census statistics and official estimates showing the current value of property in the United States as $350,000,000,000 (Commissioner of Internal Revenue) with a National Debt on June 30, 1920 of $24,299,321,467; figures of Export trade which showed $4,482,122,-696 in 1921 compared with $8,228,016,307 in 1920 and of Import trade totalling in the same years, respectively, $2,509,025,403 and $5,278,481,490. The new Cabinet of the United States under President Harding, as announced on Mch. 3rd, 1921, and with

whom British and Canadian negotiations of varied nature took place from time to time was as follows:

Secretary of State	Charles Evan Hughes	New York
Secretary of the Treasury	Andrew W. Mellon	Pennsylvania
Secretary of War	John M. Weeks	Massachusetts
Attorney General	Harry M. Daugherty	Ohio
Postmaster General	Will H. Hays	Indiana
Secretary of the Navy	Edwin Denby	Michigan
Secretary of the Interior	Albert B. Fall	New Mexico
Secretary of Agriculture	Henry C. Wallace	Iowa
Secretary of Commerce	Herbert C. Hoover	California

General Relations of Canada and the United States.

All through its growing national life, Canada had felt acutely the influence of the United States—sometimes a friendly force, sometimes the reverse—but always close and insistent. It was the factor of a population ever-growing in numbers, in wealth, in trade, in social activities, in political adventure, in reform energies, in varied points of view. Change, in modern days was the slogan of the American, change became, though in a lesser degree, the principle of Canadian democracy. The steady pressure of an enormous population from the South upon Canadians produced the inevitable process of imitation and this grew with the greatness of the Republic. Canadian journalism modelled itself upon that of the United States; the Canadian accent became that of the American and could hardly be distinguished by the average Englishman; the papers of Canada accepted the American cable news from abroad, American "boiler-plate" reading matter, American illustrations, American comic supplements; United States magazines covered every Canadian book-stall and made purely Canadian monthly journals impossible until very recently; University text-books, methods of teaching, guidance of studies and popular or class organizations were largely affected by American practise; U.S. games such as football and baseball superceded to a great degree the Canadian lacrosse or English tennis and cricket; Canadian fashions in clothes and in slang were made in New York; theatres were provided almost exclusively with American "shows" and took their place in United States circuits while the later Moving Picture development was, up to 1921, almost exclusively American.

Meanwhile the national development of Canada, its independence of the United States, had continued and grown greatly; Annexation as a policy or active movement was dead and Canadian patriotism and British loyalty seemed unaffected by this extraordinary process of social assimilation. Yet in 1921 and immediately preceding years there were some evidences of this influence in Canadian policy and action. American high Protection forced Canadian protests against the British cattle embargo; American farm organizations gave the initiative, though not the final forms, to Canadian agricultural bodies; American Prohibition advocacy and legislation vitally affected Canadian policy; United States Labour organizations continued to control the chief of those in Canada with undoubted influence and force; American necessities as to Oil gave impetus to the efforts of the Imperial Oil

Co. and its subsidiaries; United States views as to British titles unquestionably affected the Canadian opinion expressed by Parliament—through constant formulation in press and upon platform of an American form of democracy as against that of Britain; the United States attitude toward Japan found a real and powerful echo in Canada's policy at London and Washington; in transportation matters the wages of labour and the ratio of freight rates were admittedly guided by American practice and conditions; in 1920 Canada purchased $126,000,000 worth of goods from Britain and $802,000,000 from the States, while emigration from the United States to Alberta, for instance, totalled 13,283 with about 6,000 from other countries.

With all this movement and surface influence upon its people and policy, Canada remained, however, Canadian in heart and voice, British in its fundamental instincts. But the latter sentiment was becoming somewhat dulled and obscured by the pressure of extraneous factors and this found expression in a current of Nationalism which was not anti-British but in its point and application was non-British; at the same time the popular feeling was not pro-American, in either political thought or policy. An illustration of this was seen in Canadian hostility to the Hearst press of the United States. The Toronto *Globe* of Mch. 1st re-published extracts from the Hearst newspapers of Feb. 1st calling Great Britain "a greedy and unscrupulous international burglar and housebreaker" and of Feb. 24 declaring that British rule in India was "as savage as that of the Turk in Armenia and as despotic as that of the Czar in Russia"! The *Globe* urged Parliament to at once deal with these papers: "The State cannot countenance or encourage an avowed and unscrupulous enemy. It cannot make terms with a criminal. Hearst is deliberately inciting his dupes to declare war—war upon our country and our flag. We can bar his propaganda at the border. That should be done at once." Other journals asked why Canada should supply W. R. Hearst with the newsprint which he used in maligning the Empire and provoking war; the Regina *Leader* banned his Magazine advertising and on Apr. 16 announced that all advertisements of *Cosmopolitan, Hearst's, Motor, Harper's Bazaar, Good Housekeeping* and *Motor Boating* would be excluded from its columns; the Ontario Legislature on Apr. 30 passed a unanimous Resolution declaring that all Hearst publications should be excluded from Canada and asking that the Federal Government take immediate steps in connection with the matter.

During this year a curious development of international sentiment occurred in a quiescent acceptance by Canada of its supposed position as a sort of national interpreter and pacific bridge between Great Britain and the United States. It was not always directly referred to and there was much ignoring of Britain's position, and of its persistently peaceful policy toward the United States when describing Canada's position in this respect. For instance, on Apr. 26 President Harding addressed an I.O.O.F. meeting at Washington and, in response to a Canadian expression

of international friendship, stated the pleasure with which, he said, "an American of the United States" heard such words from "an American who hails from Canada". He declared that "after all, it little matters what flag we owe our allegiance to on the North American continent. I like, above all else, the example of Canada and the United States dwelling throughout the past century in peace and under most amicable relations with a single purpose to forward the cause of human kind." The President added that he desired "Canada always to look to the south and to fix its gaze on the most representative democracy in the world."

Mr. Premier Meighen of Canada wrote to the 4th of July edition of the London *Times* an amplification of this feeling: "It has been repeatedly recognized, both by British and American statesmen, that the peace and welfare of the world in the future depend upon the maintenance of a spirit of understanding and co-operation between the two great English-speaking commonwealths. x x x Canadians have had unique opportunities for knowing and understanding not only their own fellow-citizens in the other nations of the British Commonwealth but also their friends and kinsmen of the great Republic to the South." The American Ambassador in London (Mr. Harvey) put the point explicitly at a Dominion Day Dinner on July 1st: "You are interpreting to us day by day, in Canada, the freedom, the liberty and the order that is found beneath the folds of the British flag, and you are interpreting to Great Britain the system, the method and the practical operation of a federalized government such as the United States enjoys. Canada is, in my sober judgment, destined by the God of nations to be the great interpreter, one to another, of the two great branches of the English-speaking race—the bridge over which their thoughts may cross one to another, the link by which their hearts may be bound."

An incident of the year was the visit to Canada of about 60 members of the United States Congress and various newspaper staffs, with certain officials, for the purpose of studying the Canadian Sales Tax in operation. They were given a luncheon by the Montreal Board of Trade (Nov. 29) with addresses from Senator Lorne C. Webster, of Montreal, Representative Lester D. Volk, of New York, and Sir Harry Lauder of Great Britain. Mr. Webster pointed out that "just as many of your railroads and industries were founded by British money in the early days, so many of our larger industries owe their existence and development to American investors." Mr. Volk expressed discontent with Income tax operation in the United States and declared that: "Our opinion as to the applicability of the Sales Tax to the United States must necessarily rest in a large measure upon the verdict of the business men of Canada, familiar with its physical operation." At a Canadian Club luncheon on the 28th Congressman W. F. Clouse referred to the "imaginary line" between Canada and the United States and declared that there had once been a similar line between the North and South of the Republic. It had since disappeared! At Ottawa

a Board of Trade dinner was tendered, a part of the Cabinet met and a formal welcome was offered by Sir James Lougheed, Acting Premier; addresses were delivered by R. W. Breadner, Commissioner of Taxation, R. R. Farrow, Deputy-Minister of Customs, and others.

During this year, as in many decades past, American social conditions were of great importance to Canada and held a prominent place in the evolution of its thought and customs. Many of these appealed to Canadians; many others repelled. Hon. James M. Beck, well known in the Dominion and, in 1921 Solicitor-General of the United States, told the American Bar Association at Cincinniti on Aug. 31 something of the increase of United States lawlessness and crime during recent years. In the Federal Courts pending criminal indictments had increased from 9,503 in 1912 to over 70,000 in 1921; losses from burglaries (repaid by Casualty Companies) had grown from $886,000 in 1914 to over $10,000,000 in 1920 while embezzlements increased five-fold; in Chicago 5,000 automobiles were stolen in a single year and in 1919 there were 336 murders and 44 convictions while New York (1918) showed 221 and 77 respectively; his estimate of annual profits from violation of the Prohibition laws was $300,000,000. These and other conditions were, to some extent, part of a world-wide revolt against authority, law and order; Canadians were prone to feel, however, that the situation was not duplicated in the Dominion. Lynching, for instance, was practically unknown in Canada; the United States records between 1885 and 1920 showed an average of 94 yearly or a total of 3,403. So, as to Divorces, while in Canada they were counted yearly by the dozens they totalled in the United States—according to the International Committee on Marriage and Divorce —132,000 in 1920 and a total of 2,349,419 between 1889 and 1920. These matters had a very distinct influence against any closer union of the countries, just as many of the others specified above aided co-operation and closer relationship.

There were other influences of varied nature. The Emergency and Fordney Tariffs and their agricultural schedules and protective cattle embargo was the chief—as in previous periods the McKinley and Dingley Tariffs had been. There was the proposal of a correspondent in the New York *Tribune* (Feb. 21) looking to "the sale of Canada to us for our $4,000,000,000 claim against England," which was based upon the allegation that Canadians were Americans anyway and would assimilate without trouble! There was the far-flung and baseless rumour originating in the United States Senate as to the cession of the West Indies, as well as Canada, to the Republic; the fact that during a Christian Endeavour parade in New York, where 1,000 Canadians marched as Delegates with 14,000 American Delegates—including people from all parts of the British Empire—no Union Jack was carried; the continued humiliating experiences of Canadian travellers to the United States in being refused admission by U.S. immigration officials and compelled to leave the train at Emerson or other international points; there was

the exploiting in Canada of American publications giving biassed and unfair views of historical events and periods as in the case of the *Dominion Educator*, an 8-volume work to which Toronto *Saturday Night* drew attention on June 5 as having on its title-page the name Dr. J. L. Hughes of Toronto and of E. D. Foster of the United States, as Editors. It was stated that this work—sold for the use of Canadian school-children—devoted 48 pages to the United States and 16 to Canada; to the constitution of the United States 7½ pages and to the B.N.A. Act ten lines; to President Wilson 8 pages while Sir Robert Borden and the Duke of Connaught shared one page between them. A whole page was given to the British Empire! These incidents were exceptional as the trend of 1921 was largely toward fraternal and friendly relations. The following summary of 1921 occurrences in this connection may be given and they indicate very clearly the interesting currents of influence at work during the year:

1921 Incidents in American-Canadian Relations.

Jan. 4. While at the Washington Conference Sir Robert Borden discussed with officials of the United States Government the question of a new Fisheries treaty between Canada and the Republic. In their final Report the Joint Commission of 1918 had recommended that the Treaty of 1818 be amended to provide for the settlement of the later Fisheries question.

Jan. 26. The organization of the British Empire Chamber of Commerce in New York was completed with Edward F. Darrell of New York as President and addresses from leading British and Canadian men in New York. It was planned to organize local affiliated Associations in the important trade centres of the United States with a Trade Research and Service Department and a periodical journal and bulletins on trade opportunities.

Jan. 27. The Canadian Government appointed the following as Canadian representatives on the International Committee on Marine Fishery Investigations: W. A. Found, Assistant Deputy of Fisheries; Loring C. Christie, Legal Adviser, Department of External Affairs, Dr. A. G. Huntsman, of the Canadian Marine Biological Board. The Committee, together with a similar Committee from Newfoundland and the United States, was to determine measures of co-operation for the scientific investigation of the Deep-sea fisheries adjacent to both coasts of this continent.

Feb. 9. A decision was announced at Washington that the shipment of liquor to one foreign country from another *via* the United States was illegal under the Volstead Act.

Mch. 7. Lieut.-Col. John A. Cooper, Director of the Canadian Government Offices in New York, stated at a Canadian Club dinner in that city that the United States had 93 trade agents or Consuls in Canada and that he had urged the Government to appoint 93 trade Commissioners in the United States, with a sufficient charge or fee to American export manufacturers to bear the expense of maintenance—as was the method adopted by U.S. Consuls in Canada.

Mch. 30. It was announced that an Act of the Washington State Legislature had abolished the office of Fish Commissioner and created, instead, a Board of Fisheries consisting of three members to be appointed by the Governor and to which large powers were given. The Board had power to promulgate rules and regulations governing the taking of fish, and fixing the times, places and method of their capture. This promised to affect the serious conditions as to salmon, etc. in Pacific international waters.

Mch. 31 The final settlement of the membership of the Peace Commission under the Peace Commission Treaty of Sept 15, 1914, was stated as follows in the Report of the Under-Secretary of State for 1920-21:

Umpire	Professor Nansen
British National Delegate	Viscount Bryce

or in the alternative cases concerning Canada	Sir Charles Fitzpatrick
Australia	The High Commissioner
New Zealand	Sir Robert Stout
South Africa	Rt. Hon. W. P. Schreiner
British Non-National Delegate	Monsieur Millerand
U.S. National Delegate	Judge Grey
United States non-National Delegate	Senhor DeGama

Apr. 3. The preliminary Emergency Tariff Bill for the new Congress left Lumber on the free list—except as to shingles, etc.—because it was said (1) Canadian costs of production were similar to those in the United States and (2) because Canada was in a position, it was thought, to injure American print paper mills by placing a high export duty on wood-pulp.

Apr. 5. Lieut.-Col. J. A. Cooper addressing the Toronto Board of Trade urged (1) that Canadian exports to the United States had declined in comparison with our trade with other countries; (2) that Canada had adopted the principle of trade representation in every country in the world except the United States, and (3) that it was absolutely necessary to increase Canadian exports to the United States in comparison with Canadian imports.

Apr. 23. At the request of the State of New York, Brig.-Gen. C. J. Armstrong, C.B., C.M.G., G.O.C. Military District No. 4, reviewed the 13th Coast Defence Command of New York.

Apr. 27. The annual convention of the U.S. Chambers of Commerce heard an important address from J. F. M. Stewart, manufacturer, of Toronto, on the Canadian Sales Tax: "It was well received by the people of Canada; it has not proved burdensome or an undue handicap to our commercial activities; it is simple in its application; it is easy and cheap to collect, and it is productive of substantial revenues."

May 1. It was stated at Vancouver that 95 per cent. of the sawmills in British Columbia were owned and operated by United States capital, 3 per cent. were under part American and part Canadian ownership and 2 per cent. were Canadian outright. Hence the local concern in U.S. Tariff proposals as to Lumber.

May 18. Canadian universities were well represented through the Federation of University Women, at the reception given to Mme. Curie, the French discoverer of radium, at the Carnegie Hall, New York.

May 24. W. W. Husband, U.S. Commissioner-General of Immigration, stated at Washington that the head-tax imposed in 1917 was applied only to foreigners (including British) who had lived in Canada less than one year, but that the present law provided an $8.00 tax on each individual, including native Canadians. It was, he declared, unnecessary, disturbed friendly relations and should be repealed.

June 17. The proposal in the U.S. Permanent Tariff of a 25 per cent. tariff against Canadian Lumber aroused much discussion in Canada. It was pointed out that in the 12 months ended April, 1921, the export of logs and lumber from Canada to the United States made up 66 per cent. of the total exports of these products from the Dominion—in other words a total of $62,290,000 out of total shipments of $94,015,000; in the same period the United States was Canada's only outside customer for pulpwood, total shipments reaching a value of $21,513,594.

June 20. A Resolution passed the U.S. Senate authorizing the appointment of a Commission to confer with the Dominion Government or the Provincial Governments of Quebec, Ontario and New Brunswick as to certain restrictive orders-in-council relative to the exportation of pulp-wood to the United States and declaring that if the desired action was not taken in Canada "said Commission shall investigate, consider, and report to the President, on or before Dec. 1st, 1921, what action in its opinion should be taken by the Congress that will aid in securing the cancellation of said restrictive orders-in-council, so that they may not continue to militate against the interests of the people of the United States."

June 21. The organization in 1863 of the first regular Masonic Lodge in North Dakota was celebrated at Pembina by an international gathering with a large Winnipeg contingent present including G. N. Jackson, Grand Master of Manitoba. In his address Mr. Jackson urged an international celebration, under Masonic auspices, of the signing of Magna Charta.

June 23. Congressman G. M. Young of North Dakota (Rep.) protested against a duty on Canadian lumber: "We sell more manufactured stuff to Canada than to any other foreign country. It goes without saying that the reduction of our imports from Canada acts as a factor to increase the disparity in the money exchange rates between the two countries. We ought to take into account that shutting out $60,000,000 worth of lumber from Canada will be still further aggravating the situation and making it still more difficult for our manufacturers to export their products to Canada."

July 9. A tour of inspection of the Power resources of Niagara, the Chippawa Development project and the navigation and power possibilities of the proposed St. Lawrence Deep Waterways system, was inaugurated at Niagara Falls Ont., by 75 New England members of the Great Lakes-St. Lawrence Tidewater Association.

July 13. At Windsor the largest submarine cable in the world was laid on the bed of the Detroit River between Windsor and Detroit. It carried 408 pairs of wires, and would make possible 600 conversations simultaneously between the two cities.

July 15. The United States cancelled the war legislation granting to Canadian fishing vessels the right to use United States' ports equally with American fishing vessels and this action left the fishing vessels of the United States still enjoying the privileges of Canadian seaports while Canadian vessels were refused the courtesies of American ports.

July 15. Regarding the proposed American Fish duties a St. John's, Newfoundland, despatch stated that the enactment imposed more or less prohibitory duties on fish imported into the United States, to satisfy the fishermen and fish traders of the United States seaboards, and the effect of it would be to deprive Canadians and Newfoundlanders of a large and profitable market.

July 18. The American fishing vessel *K-182* of Bellingham, was seized by the *Malaspina* when discovered poaching within the three-mile limit off the West Coast, and was brought into Esquimalt harbour the same night.

July 22. Eight United States fishing boats were seized in Passamaquoddy Bay by the Captain of the Canadian Government patrol boat *Dream* for violating the Canadian regulations by poaching in forbidden waters.

July 22. It was stated that the *modus vivendi* between Canada and the United States regarding the Atlantic fisheries had lapsed and that the two countries were back on the basis of a Treaty adopted in the time of George III (1818) —insofar as the Fisheries were concerned.

July 23. Federal officers seized the British schooner *Pocomokie*, moored in Gardner's Basin, Atlantic City, N.J., on a charge of carrying liquor. The ship was a French-Canadian one and formal notice was served by the British Government on Aug. 18 that it could not recognize jurisdiction of the United States on the high seas beyond the 3-mile limit, fixed by international law, which was said in this case, to have been invaded.

July 26. The Canadian-American Fisheries Conference appointed to consider a settlement of outstanding fishery questions between Canada and the United States reported as recommendations: (1) That the question could never be permanently removed from the field of discord unless the markets of both countries were available to the fishermen of both on the same terms; (2) that arrangements be made by amending the Treaty of 1818 so that the fishing vessels of either country may enter, from the high seas, any port of the other and clear from such port; (3) that the fishing vessels of either country may dispose of their catches and purchase bait, ice, coal, nets, lines, oil, provisions, and all other supplies and outfits in the ports of either country; (4) that similar privileges be extended as to preparing catches on board ships or selling such products in the respective countries; (5) that a treaty or convention for the proper regulation of the Fraser River Sockeye fisheries should be entered into by Canada and the United States; (6) that a close season in the Halibut Pacific fisheries for both the United States and Canada, from Nov. 16 to Feb. 15, be established during a period of 10 years.

Aug. 4. In view of the current cancellation of the War-time Measures Act which had allowed Canadian fishing vessels to enter United States ports and land their fish with a consequent reversion in practice to the restrictions contained in the Treaty of 1818, a meeting of the Council of Yarmouth, N.S., urged the Government at Ottawa to promote a Reciprocal treaty whereby Canadian fishing vessels

would have access to the United States ports with similar privileges to vessels of that country in Canadian ports.

Aug. 5. The United States Pacific Fleet, comprising 8 fighting ships and a hospital ship, visited Vancouver and 1,750 sailors were entertained on shore.

Aug. 8. The 66th annual Convention of the International Typographical Union was opened at Quebec with an address from the Provincial Premier (Mr Taschereau) who claimed that the people of Quebec believed, and its laws were based upon the belief, that capital and labour were both essential to the national life.

Aug. 9. The University of British Columbia received an offer from the University of Oregon to accommodate British Columbia students who, in view of restricted space, could not be locally enrolled.

Aug. 18. The International Photo-Engravers' Union Convention held in Toronto re-elected its United States officials by acclamation; President Woll of Chicago stated that Labour's principal duty was to make secure the right of the workers to organize and to collectively cease work when they felt that conditions justified such action.

Aug. 18. Governor L. E. Hart of Washington State advised the U.S. Secretary of State that no part of the proposed Treaty as to Sockeye fishing was acceptable to the State and he suggested that a special Commission, composed of at least one British Columbia and one Washington resident be named to draw up a new Agreement. The opposition of the Cannery interests was understood to be the cause of this policy.

Sept. 5. Lemuel Bolles, Adjutant of the American (Great War) Legion, was entertained at Ottawa by the Dominion officials of the G.W.V.A. He declared that he had come to extend the hand of cordial friendship:—"an intimate relationship, that we may work for our mutual benefit and for the good of all the North American continent. We are bound by the invisible ties of a common ancestry and a common heritage."

Sept. 6. Judge Alton B. Parker of New York was the guest at luncheon of the Canadian Bar Association meeting at Ottawa and, in his notable utterance made this reference to the lateness of the United States in entering the War: "It must be borne in mind that there were millions of American citizens who were carrying on a vigorous propaganda against the Allies and particularly against Great Britain. The propaganda should not have had weight with the people but it undoubtedly did, and so perhaps the delay was, on the whole, wise."

Sept. 6 At Blaine, Wash., on the international boundary line between that State and British Columbia, with lavish display of British and American flags and 5,000 people present, a Peace Portal was inaugurated and dedicated in honour of the practical completion of the Pacific Highway, beginning at Vancouver, B.C., and running through the States of Washington, Oregon and California to the border of Mexico, a distance of about 2,000 miles—in memory also of 100 years of peace between the British Empire and the United States. Mayor R. H. Gale of Vancouver in his speech said: "Let this arch, more glorious than a frowning fort or arsenal bristling with weapons of destruction, symbolize for all time that the United States, Canada and Great Britain stand to-day united as Anglo-Saxons in defence of justice, liberty and universal peace." Other speakers were R. Rowe Holland, and Bishop A. W. de Pencier of Vancouver.

Sept. 19. At the great Convention in Toronto of the Sovereign Grand Lodge of the I.O.O.F. at which delegates were present from every State in the American Union and from every Canadian Province to a total of many thousands, there were all kinds of International fraternal actions and speeches. A key-note was probably the statement of Hon. N. W. Rowell that "our two great nations must stand side by side and lead the world until we find some means by which the nations can peaceably settle their disputes." The presence in Canada and the United States, he said, of such a great Fraternal Order as the Odd Fellows was, in itself, an excellent illustration of co-operation in its best form.

Sept. 21. According to a statement by J. W. Mitchell, Vice-President of the Dominion Securities Corporation: "No other conclusion is possible, but that the flow of American capital to Canadian investments must increasingly continue. Canada is the second best trade customer of the great Republic. The interchange of commodities between us last year was nearly $1,500,000,000. More than half of Canada's entire trade is with the United States. We are separated

only by an imaginary boundary line, and united by the friendly developments of over a century of peace."

Oct. 15. During the banquet of the Kiwanis Club District Convention at Victoria, B.C.—the gathering was international in its membership—Dr. Herbert Coleman, Dean of the B.C. University, Faculty of Arts, dealt with the situation in a manner which became popular at such gatherings during this year: "It would seem that Canada, because of her history and her ancestry, should be qualified in a special measure to act as interpreter between America and England. The Canadians are just as American as the Americans—of course, in a special sense. If all Americans knew the Mother Country as Canadians knew her, they would not love her, perhaps, as Canadians love her, but there would be no cause for hate or for indifference."

Oct. 17. The Convention of the Pacific Coast Association of Port Authorities was held at Vancouver with delegates present from San Diego, Tampa, San Francisco, Los Angeles, Portland, Seattle, Tacoma, Chicago and other American ports.

Oct. 24. The annual Convention of the Washington State Educational Association meeting at Bellingham, approved a Resolution declaring that "a review of the school histories of English-speaking countries should be undertaken, and that a Commission should be appointed jointly by the National Educational Associations of Canada and the United States to the end that the history-teaching in these countries may be made true to the interests of harmony and goodwill."

Dec. 1. At the Chicago Convention of the International Association of Fairs and Expositions, John G. Kent of Toronto was elected President and, for the first time in 40 years, it was decided to hold the next meeting at Toronto, Canada. Many prizes were won by Canadian exhibitors.

Dec. 12. At Vancouver an International Conference of Fishing interests was held including members of the Fisheries Board of Washington and Canadian representatives headed by W. A. Found, of Ottawa. The object was preservation of the Sockeye and ways and means of securing full and complete co-operation between Canada and the United States.

Dec. 13. Tentative agreement was reached by the Conference as to (1) protection for immature salmon in the coastal waters off the West Coast of Vancouver Island and the Washington shore; (2) investigation to ascertain the desirability of prohibiting fishing inside the 3-mile limit off Vancouver Island, as was done off the coast of Washington; (3) a proposal to establish "humpback" runs during the even numbered years in Puget Sound and Fraser River waters like those existing in the odd-numbered years; (4) an agreement as to the salmon propagation in the waters concerned.

Dec. 31. During 1921 the following American honours or compliments were paid to Canadians: Dr. Alex. Primrose of Toronto was elected to Board of Regents of the American College of Surgeons; Dr. Joseph A. Bandouin, Professor of Hygiene, University of Montreal, was awarded a Rockfeller Foundation Fellowship for the study of Medicine and Public Health in the United States; George H. Locke, M.A., PH.D., Toronto, was elected a member of Council in the American Library Association; Brig.-Gen. C. H. Mitchell, C.B., C.M.G., D.S.O., LL.D., was granted the Hon. degree of Doctor of Engineering by the Stevens Institute of Technology at Hoboken, N.J., along with Charles M. Schwab and others; W. E. Staples, a graduate of Victoria College, Toronto, out of a field of picked men, was selected as a Thayer Fellow at the American School of Oriental Research in Jerusalem for the year 1921-22 which included a $1,000 scholarship offered yearly by the Archaeological Institute of America; J. E. Atkinson of the Toronto *Star* was elected at New York a Director of the American Newspaper Publishers Association.

The Panama Canal and Canadian Interest in the Tolls Question.

In continental relationships this matter affected Canada and Great Britain as well as the United States, and the growth of the Canal traffic, though obscured by greater issues, was increasingly important. Opened with large expectations, its tonnage in the last 4½ months of 1914 was 1,745,334 and in 1915 it was 4,894,134; in 1920 it had grown to 11,236,119

tons and in the first 9 months of 1921 it was 7,912,737 tons. The source and destination of cargoes passing through the Canal in 1920 showed that the trade region to which the Canal was of greatest service was the east coast of the United States, the west of South America and then Europe, the west coast of the United States, the Far East, Australasia and Mexico. Canal-bound traffic from the United States to Australasia and the Far East was practically three times as great as that coming in the opposite direction. Next to American vessels in this total the chief users of the Canal were British Empire ships and an official statement issued in September, 1921, showed that for the current fiscal year approximately one-third of the whole traffic was British with 33 per cent. of all vessels, passing through the Canal, British, 34 per cent. of the total net tonnage British, while 32 per cent. of all the cargo handled was carried in British bottoms.

Into this situation and the free use of the Canal by foreign nations, which was pledged under 11 Treaties signed by the United States, there was interjected a growing political desire to impose preferential tonnage rates in favour of American goods or vessels. During 1920 Senator Wesley L. Jones of Washington State succeeded in getting through Congress an Act requiring the President to abrogate all Treaties with foreign nations that in any way prevented the United States from giving tariff or tonnage advantages to American vessels, or goods brought in American vessels. It also authorized the Inter-State Commerce Commission to allow special discriminatory freight rates on goods destined for export on American vessels. President Wilson signed the Bill but afterwards refused to abrogate the Treaties involved as being "a violation of international engagements"; he also declared that Congress had over-stepped its jurisdiction whilst Japan and Britain lodged protests at Washington against any such abrogation.

During the Elections of 1921 the Republican Platform was explicit on this subject: "We recommend that all ships engaged in the coastwise trade and all vessels of the American merchant marine shall pass through the Panama Canal without payment of tolls." Following this development the U.S. Senate on Oct. 10, 1921, passed a Bill introduced by Senator W. E. Borah looking to the exemption of American coastwise shipping from the payment of tolls in the Panama Canal. A similar proposal had been enacted by Congress in 1912 but repealed in 1914 on the ground urged (1) by Senator Root that it would violate Article III. of the Hay-Pauncefote Treaty, which provided that the Canal should be open to all nations on terms of entire equality and (2) by President Wilson* that "we ought to reverse our action without raising the question whether we are right or wrong, and so once more deserve our reputation for generosity and for the redemption of every obligation without quibble or hesitation." The Borah Bill was held up in the House of Representatives, after much discussion, until the Washington Conference had been held; an interesting incident had mean-

*Note—Message to Congress Mch. 5, 1914.

time occurred in connection with Canada and its relationship to the Canal.

Early in 1921 (Feb. 9) the first ship took this course from Vancouver to London carrying wheat, and there were many who believed that much of Canadian wheat and other products might be carried that way. Western Canada and Western States would thus have a new water route to Brazil and Argentina while Central American countries with Mexico, Texas and other Southern States, Venezuela, Colombia and Cuba might become more and more important markets for Canada, as well as for the United States. During the 12 months of July 1920–June 1921 88 vessels bound to or from a Canadian port passed through the Canal with a tonnage of 347,123; the Canadian trade of that period through the Canal showed 420,249 tons of cargo. The vessels sailed chiefly from British Columbia ports to the Atlantic and Gulf Coasts of the United States; there was an export trade with the Mediterranean and seven vessels sailed from ports in Eastern Canada to Australia *via* Panama. Hence the declaration of the Chicago *Tribune** that: "If we penalize all foreign shipping interests by the exemption of American coastwise ships from Panama Canal tolls, Canada may be expected to denounce the clauses in our Treaty which grant American vessels free and equal use of Canadian canals. At one stroke the possibility of an annual saving of $6,750,000 to Middle Western grain-growers through the free use of Canadian canals can, and probably will, be cut off."

Hence the effort made by Washington—according to a statement on Oct. 15 in the usually well-informed London journal *Canada*—to induce the British Government to agree to the violation of the Hay-Pauncefote Treaty by offering Canadian (not British) shipping the same exemption which they proposed to confer on themselves. As a matter of fact, the question appears to have come up at the Imperial Conference in July when the visiting Premiers were told by the Imperial Government that the controversy might be settled by exempting Canadian coastwise traffic from the tolls in common with that of the United States. Mr. Meighen was reported to have declared that he would not accept a special favour of the kind at the sacrifice of "the general principle of neutralization" laid down, in the first place, in the Clayton-Bulwer Treaty and "retained unimpaired" in the preamble of the Hay-Pauncefote Treaty—to the effect that the Canal should be free to the vessels of all nations on terms of entire equality, and at tolls which were just and equitable. This was the attitude of the Dominion Government on the question. In London on Dec. 6, F. C. Wade, K.C., Agent General for British Columbia, told the Society of Arts that the cutting of the Panama Canal greatly reduced the distance from Liverpool to Victoria, B.C. As to other Canadian conditions in respect to this route, he made an interesting statement which indicated its possible importance to Canada:

*Note—Quoted in Toronto *Globe* of Oct. 11, 1921.

If the crop of Canada for 1921 was taken as 288,493,000 bushels, there would be 288,493 car loads at 1,000 bushels to the car which, divided into trains of 50 cars, would give 14,449 trains of cars loaded with grain. At 53 feet to the car that would mean five trains to the mile, or a single train of 2,889 miles in length, If the entire crops had to be handled in a year through Montreal on a single line it would be at the rate of about 40 cars a day, or nearly two every hour. As there were still 37 million acres within easy reach of railways in Western Canada, and hundreds of millions more untouched and awaiting development, the folly of moving the crops of the future over land by only one ocean route, could easily be realized. It had been estimated that the arable land of the Pacific or Western Canada, comprised 333 million acres, as against 160 millions in the Eastern or Atlantic Canada. On that basis it was evident that with the development of traffic westwards and *via* the Panama Canal, the products and traffic of Pacific Canada might double that of Atlantic Canada.

The Question of a Canadian Minister at Washington; The Attitude of other Dominions.

This new and curious problem in international and constitutional conditions was much discussed during 1921; it was a phase in the Nationalistic development of Canadian and Dominion thought. The simple aspect of the question lay in the obvious need and advantage of having a commercial, financial, and trade representative at Washington; the complications came in the effort to add diplomacy and international power to the position. Had the Canadian Government proposed to appoint a High Commissioner to the United States with powers and functions similar to those of its official at London or Paris, there would have been few difficulties and little opposition. There, already, was an Australian Commissioner at Washington and a Canadian Commissaire-General at Paris; after the setting of the precedent by Canada there had been for many years High Commissioners in London for Australia, New Zealand, South Africa and latterly for Newfoundland and India.

The matter first came into public discussion in 1920 and the announcement, as so often has happened in the relations of Britain, Canada and the United States, came first from Washington. The State Department on Apr. 26 stated that, with the approval of the British Government, definite overtures had been made by Canada to the United States for the establishment of direct Diplomatic relations and that the Administration had intimated this would be quite agreeable. The New York *Times*, the New York *Tribune* and the United States press in general, approved the suggestion; some because of the growing relations between Canada and the United States, many because they thought it indicated a growing independence of Great Britain. In Canada the idea was approved by papers of such divergent policies as the Ottawa *Journal* and the Toronto *Globe*, the Montreal *Gazette* and the Winnipeg *Free Press*; the names of Sir Robert Borden, Sir Charles Gordon and Hon. N. W. Rowell were discussed for the appointment. On May 10, 1920, an official statement was made in the British and Canadian Parliaments and by the British Embassy in Washington. It was uniform in terms and stated that:

As a result of recent discussions an arrangement has been concluded between the British and Canadian Governments to provide more complete representation at Washington of Canadian interests than has hitherto existed. Accordingly, it has been agreed that His Majesty, on advice of his Canadian Ministers, shall appoint a Minister Plenipotentiary who will have charge of Canadian affairs and will at all times be the ordinary channel of communication with the United States Government in matters of purely Canadian concern, acting upon instructions from and reporting direct to the Canadian Government. In the absence of the Ambassador the Canadian Minister will take charge of the whole Embassy and of the representation of Imperial as well as Canadian interests. He will be accredited by His Majesty to the President with the necessary powers for the purpose. This new arrangement will not denote any departure either on the part of the British Government or of the Canadian Government from the principle of the diplomatic unity of the British Empire. x x x In view of the peculiarly close relations that have always existed between the people of Canada and those of the United States, it is confidently expected that this new step will have the very desirable result of maintaining and strengthening the friendly relations and co-operation between the British Empire and the United States.

Mr. Bonar Law at Westminster and Sir George Foster at Ottawa submitted the statement; Mr. Mackenzie King at Ottawa referred to "this far-reaching and important step" and asked for the correspondence on the question. In the Canadian Commons on May 17 following, the Hon. W. S. Fielding formally requested the official correspondence and expressed "great doubt as to the wisdom of the step"; he declared that there had been no public discussion or demand and no debate in the House regarding the matter; the issue was "nearer to being a constitutional change" than any of the various matters recently brought before the House. Mr. Rowell spoke at length in favour of the proposal and summed up his views as follows: "We are going to do two things—manage our own affairs and maintain the unity of the British Empire. I believe that a Canadian representative in Washington, meeting and talking with representatives of the American Government and dealing with problems common to both, will make for strengthening the good relations that now exist between the two countries."

Ernest Lapointe asked a series of acute questions as to the constitutional issue and as to situations which might arise at Washington under the new arrangement and wanted more information. Sir Robert Borden spoke at length in favour of the appointment as practicable, desirable, good for the Empire and for Canada; he eulogized recent British Ambassadors—Bryce, Spring-Rice, Reading—and declared that three-quarters of the work of the Embassy at Washington had relation to Canadian interests; between the people of Canada and the United States "there was a very perfect understanding". The Hon. Mackenzie King expressed doubt of the arrangement in the light of present information; quoted Australian claims for similar representation and declared that "if our action in failing to discuss this matter openly and freely is going to create some unrest in Australia, South Africa and New Zealand, and some concern in England, surely we are not helping to bring about the closer relations between the different parts of the British Empire which it ought to be the object of every free Parliament within the Empire to bring about."

He saw danger and difficulty in the Canadian Minister acting at times for the British Ambassador—the step was an extreme one and he preferred cautious evolution: "What seems to be the more rational course is the middle one, that in matters between Canada and other countries Canada should manage her own affairs, and that in matters between Great Britain and other countries, Great Britain should manage her own affairs, always, when necessary, with co-operation and conference between the two." Sir George Foster followed for the proposal and Hon. R. Lemieux, in criticism of certain possibilities. "By the appointment," he said, "of that so-called Minister Plenipotentiary Canada, sooner or later, may be involved in grave international problems"; he did not like the proposed change and preferred to "let Providence shape our destiny". The Minister of Justice (Mr. Doherty) followed and Mr. Fielding's request for correspondence was voted down by 68 to 63.

The matter came up again in the House on Apr. 21, 1921, when Mr. Premier Meighen in answer to a question said there was "some urgency" in the matter of an appointment, but the Government had not decided on the best person for the post. A debate ensued on the appropriation of $60,000 for "Canadian Representation in the United States". Sir Robert Borden made an elaborate address and reviewed the Trade diplomacy of Canada since the days of Sir A. T. Galt and the 1870 debates on the subject; on the constitutional issue he quoted at length from speeches by David Mills and D'Alton McCarthy in the House in 1892. The Minister he wanted would be "the King's envoy to represent especially Canadian interests"—acting in harmony and in co-operation with the British Ambassador, but possessing "a perfectly independent status so far as the affairs of Canada are concerned." He mentioned the questions between Canada and the United States dealt with in recent years as including the following:

The Chicago Drainage Canal; Supplies of Coal for Canada.
Level of the Lake of the Woods; The United States Merchant Marine Act.
Levels of Lake Memphremagog; Panama Canal Tolls.
Exportation of Pulpwood from Canadian Crown Lands.
Interchange and intercourse between Canadian and American Railways.
Fishery questions on Seaboards and the Great Lakes.

Mr. Fielding followed and was explicit in his view that old conditions as to self-government had greatly changed: "I am of opinion that we have got as far as we need to go to-day. We are right at the very verge of Independence. There are some who wish to go further, and while I do not quarrel with them for holding that view, I do not agree with them; and I do not believe the majority of the people of Canada do. x x x My view is that this proposal of an Ambassador at Washington is not a useful one. My belief is that the interests of Canada can be served by a Minister of the Crown after consulting with his colleagues at a Council meeting; maybe taking the afternoon train down to Washington and meeting the authorities in the United States. x x x We cannot make a treaty without the Ambassador of Great Britain. We cannot be

in the Empire and not accept the responsibilities which that involves. I am not saying anything in a controversial sense, but my view is that we have to-day, in the making of commercial treaties, all the power that we ought to have or that is any good to us."

Mr. Rowell and other members spoke and the Opposition Leader (Hon. Mackenzie King) pointed out that the press as a whole had taken no definite stand in the matter; he reiterated his doubts as to the exact position and power of such a Minister; he agreed with Mr. Rowell that the King of England was, also, King of Canada, and that a Canadian Minister should have the same right and authority to make a treaty in the name of the King as any Minister of the British Government; he opposed the proposal that any representative from Canada should assume complete control of the British Embassy at Washington; he did not oppose the appointment of a Minister with Canadian powers only. W. F Cockshutt (Con.) drew a picture of Canadian Ambassadors in many countries, of a United States Ambassador at Ottawa, of international and inter-Imperial complications, of a policy which was "the thin edge of separation." The Hon. T. A. Crerar supported the general proposal and criticized the Government for not making an appointment.

Mr. Lemieux said: "I do believe that a High Commissioner would be more useful than an Ambassador at Washington unless we choose to cut the painter at once and declare ourselves an independent nation; because you cannot have an Ambassador in any foreign country unless you exercise that essential power of sovereignty which Canada does not possess . . . When the time comes for Canada to take the decisive step which shall lead her to nationhood, I for one shall stand for Canada as a kingdom—with a member of the British Royal Family as King." In closing the debate Sir Robert Borden re-stated the new constitutional theory which had of late come to the front and which involved so much that did not appear on the surface: "In each Dominion the King acts only upon the advice of his Ministers for that Dominion."

Meanwhile, the 1921 general discussion of the subject had been varied. Mark Sheldon, the retiring Australian Commissioner to the United States, stated at New York on Jan. 6 that he thought the British Ambassador should speak on behalf of and represent the whole British Empire; E. C. G. Page, Leader of the Country Party in the Australian Parliament, urged the appointment of a Minister of the Crown as High Commissioner in London. The Toronto *Globe* of Apr. 23 supported the Government's position in the matter as did the Calgary *Albertan* and the Victoria *Times*—all Liberal—while the Edmonton *Bulletin* opposed it; the United States press continued to be unanimous in favour of the policy and the New York *Sun* of Apr. 26 declared such an appointment in the best interests of the British Empire as well as of Canada. In addition to names first suggested for the post those of Sir Joseph Flavelle, C. A. Magrath, Lloyd Harris and Lord Shaughnessy were proposed. Nothing definite was done, however, and on May 26,

in a New York speech, Sir Auckland Geddes still was able to refer to himself as "the Ambassador of your close neighbour, Canada; the Ambassador of Australia and South Africa and of Colonies and islands in every continent and in every sea, as well as of the old Home Land." British newspapers were restricted and guarded in their comments and only a few extreme Radical journals of the Manchester *Guardian* type supported the idea; Sir George Parkin in one or two addresses opposed it as did the *Canadian Gazette* and *Canada*, journals published in London; a correspondent of the New York *Tribune* (P. W. Wilson, ex-M.P.) on Dec. 11 stated that Ireland would, of course, demand a similar right with new and easily-understood complications.

Fiscal Relations of Canada and the United States; American Tariff Bills and Reciprocity Conditions

Conditions in the United States during 1921 made increased Tariff rates inevitable. High Protection had always been and still remained the platform of the Republican party—which, in 1920, had re-affirmed its belief in the Protective principle and pledged itself to "a revision of the Tariff for the preservation of the home market for American labour, agriculture and industry"; it became once more, in 1921, the dominant power in Senate and House and Presidential chair; there was a serious business depression and, especially, in Agriculture, with low prices out of proportion to costs of production and prices of other products.

So bad was the position that on Aug. 24 President Harding approved a law which empowered the United States Government to lend $2,000,000,000 for the purpose of financing the farmers and dealers in farm products—to enable them (1) to withhold products from the market until prices improved, and (2) to aid farmers in extending the time on money already borrowed for agricultural purposes and to obtain more if needed. The money was lent to the Banks through the Government's War Finance Corporation, and thence to the individuals concerned. It was claimed at this time, also, that 12 leading countries—including Italy, France, Belgium and Argentina—had advanced their tariffs during this or the preceding year as high in some cases as 300 per cent.; it was alleged that higher duties were essential to protect the factory and the farm from floods of imports sent by countries where wages averaged 30 cents a day and whose exchange ran at incredibly low figures with extreme under-valuations of invoice.

In his pre-election speeches Mr. Harding had indicated increased duties upon all farm products and especially from countries such as Canada and the Argentine; in the first Tariff Bill introduced by Congressman Joseph W. Fordney, Chairman of the Ways and Means Committee, late in 1920, as a preliminary fiscal presentation of Republican policy under a Democratic President, wheat was to be 35 cents a bushel, corn 14 cents, potatoes 25 cents, cattle 30 per cent. *ad valorum*, sheep $2.00 per head and washed wool 30 cents a pound. Canada's reception of this proposed policy was not

cordial and in a few cases hinted at retaliation; the New York *World* gave the Democratic view of the legislation as it touched Canada by describing the Dominion as in a position to hit back because she could get most of the manufactures now bought in the United States from Great Britain, and because a strong Preferential tariff in favour of the Mother Country could not fail to hit the manufacturing industry of the United States a staggering blow. The retaliatory attitude was very slightly expressed in Canada, however, and nowhere with authority or official force.

The nearest approach to this was the remark of Sir James Lougheed, Minister of the Interior, in the Senate on Feb. 16 that: "There are only two courses to pursue, one is to make this country dependent entirely upon the producing and manufacturing interests of the United States; or the building up of our tariff walls to meet whatever hostile conditions the United States may impose against us." The House of Representatives with a Republican majority, passed the Bill, the Senate, through the defection of certain Democrats, passed it on Feb. 16 by 43 to 30; on Mch. 3rd President Wilson, as expected, vetoed it and the whole policy went to the electorate under the ensuing banner of W. G. Harding. Mr. Wilson stated in his Message that this was no time for the erection of high tariff barriers: "It would strike a blow at large and successful efforts which have been made by many of our great industries to place themselves on an export basis. It would stand in the way of normal re-adjustment of business conditions throughout the world, which is vital to the welfare of this country as to that of all the other nations. The United States has a duty to itself as well as to the world, and it can discharge this duty by widening, not by contracting, its world markets." As to Canada: "The price of wheat is a world price, and it is a matter of little moment whether Canadian wheat goes directly into the markets of other countries of the world, or indirectly through this country." The position of trade between the two countries at this juncture, and before the War, showed a 1914 (Mch. 31) total of $396,302,138 in Imports by Canada from the U.S. and for 1920 $801,097,318; in Exports from Canada to the U.S the 1914 total was $176,948,299 and in 1920 $501,130,117. In detail *the Chief Canadian imports from and exports to the U.S. in these years may be summarized as follows:

Articles	Imports from U.S. in Millions of Dollars 1914	1920	Articles	Exports to U.S. in Millions of Dollars 1914	1920
Iron and Steel Products	$113	$182	Pulp and Paper	$15	$82
Coal	47	60	Lumber	20	71
Cotton and Products	17	68	Wheat	7	14
Petroleum and Products	13	28	Living Animals	8	48
Non-ferrous Metals and Products	29	41	Iron and Steel Products	2	27
Wood and Wood Products excluding paper	21	22	Sugar		2
Fruits	12	28	Fish and Fishery Products	7	17
Wool and Products	2	22	Copper	9	12
Sugar and Products	1	23	Asbestos	2	7
Grain and Breadstuffs	6	22	Meats	1	8
			Furs	2	17

*Note.—Compiled in Monthly (April, 1921) Letter of the Royal Bank of Canada.

The U. S. Emergency Act of 1921. The effect upon Canada of the proposed Fordney legislation seemed obvious; it was described as far more serious than either the McKinley or Dingley tariffs. From a foreign trade in its infancy, Canada had grown into the second largest customer of the United States. The effect in Canada was anticipated as little short of disastrous by farmers and cattlemen alike; Canadian comment, however, was surprisingly restrained and there was little expression of the feeling so vigorously shown in the time of preceding Tariff increases; George Lane, the Western ranchman, backed by the Toronto *Globe*, urged business representation at Washington as to the effect of unduly high duties upon trade. Meanwhile, George M. Young, Congressman from North Dakota, had introduced in the House at Washington (Apr. 11) the Emergency Tariff Bill which was to be law for six months pending the passage of a permanent Republican tariff revision. It was, practically, the Fordney Bill as vetoed by President Wilson. The Report recommending the measure stated that revival of business was dependent upon restoration to the farmers of their lost purchasing power; that the "paralysis" of agriculture had not forced a reduction in prices of commodities which the farmers must buy; that the proposed course would have the effect of advancing retail prices of foreign food products which had been and were being brought in at a lower basis of cost, and were being sold at prices lower than those for which the home products could be sold.

An Anti-Dumping measure accompanied the Tariff clauses and the Bill passed the House without change on Apr. 15 by 269 to 112. It passed the Senate on May 11 by 63 to 28. A Conference report from the joint Committee of the two Houses was approved and the Bill was signed by President Harding on May 28 when it at once went into operation. The provisions against "dumping" were drastic with punitive duties equal to the difference between the price at which merchandise was offered and the foreign market value. Elaborate provision was made for ascertaining foreign costs and foreign market values as a basis for the administration of this section of the Act. The Secretary of the Treasury could put the "special dumping duty" into effect whenever he found an industry in the United States was being or was likely to be injured. Other features provided that export values were to be a minimum basis for the assessment of duties and that the values of foreign moneys were to be ascertained and certified daily by the Federal Reserve Bank of New York.

In the main, the changes affected agricultural products and, of course, touched Canadian interests seriously as heavy duties were imposed upon many articles then on the free list, such as meat (all kinds), milk and cream, potatoes, live-stock, wheat and wheat flour—with increased duties on butter, cheese, apples, and flax seed. There were also the anti-dumping provisions, the enforcement of which would from time to time affect Canada while control over dye importations, originally a war measure, was continued. The total value of the products exported in the fiscal year to Mch. 31,

1921 from Canada to the United States and affected by these changes was $167,230,678.

During the debates in the two Houses at Washington, Canada was frequently referred to. Senator A. O. Stanley of Michigan (May 22) stated that: "From 1910 to 1920, inclusive, Canada exported to the United States 58,468,248 bushels of wheat. During the same period she imported from us 50,406,748 bushels of wheat, leaving a net excess for the ten-year period of 8,061,503 bushels. That 8,000,000 bushels, annually, could disturb the general level of prices on six or seven hundred million bushels of American wheat, is inconceivable. I maintain that at this time we are infinitely more in need of Canadian raw materials than of her markets; that we receive a greater benefit from the things we buy than from those we sell." In detail the changes affecting Canada were as follows:

Commodity	Old Rate Underwood Tariff	New Rate Emergency Tariff
Wheat	Free	35c per bus.
Wheat flour and Seminola	Free	20% ad val.
Flaxseed	20c per bus.	30c per bus.
Corn	Free	15c per bus.
Beans, not specially provided for	25c per bus.	2c per bus.
Potatoes	Free	25c per bus.
Onions	20c per bus.	40c per bus.
Cattle	10% ad val.	30% ad val.
Sheep	10% ad val.	$1–$2 per head
Fresh or frozen beef, veal, mutton, lamb and pork	Free	2c per lb.
Meat not specially provided for	Free	25% ad val.
Wool:		
Unwashed	Free	15c per lb.
Washed	Free	30c per lb.
Scoured	Free	45c per lb.
Woolen Manufactures	Various	45c per lb. add'l.
Butter and substitutes	2½c per lb	6c per lb.
Cheese andsu bstitutes	20% ad val.	23% ad val.
Fresh milk	Free	2c per gal.
Cream	Free	5c per gal.
Condensed milk	Free	3c per gal.
Sugar of milk	Free	5c per lb.
Wrapper tobacco:		
if unstemmed	$1.85 per lb.	$2.35 per lb.
if stemmed	$2.50 per lb.	$3.00 per lb.
Apples	10c per bus.	30c per bus.
Cherries	10c per bus., 1c a lb. or free	3c per lb.

In dealing with the Bill the *Farmer's Sun* (Apr. 23) pointed out some bright spots; even the McKinley Act of a generation before while it destroyed Canada's barley trade had immensely stimulated its dairy industry. It was stated that wheat would still be able to enter the United States and be milled for export, whereupon the duty would be refunded and American flour (made largely from Canadian wheat) would still be able to enter the British market. Steep duties on cattle would shut Canadian animals out of that market, but the British demand should ease the situation. The first effect of this legislation in Canada was the postponing of Tariff revision by the Meighen Government until a permanent policy had been established in the United States; another was the claim of Liberals and Agrarians in the General Elections that this Tariff would never have been imposed if the Reciprocity agreement of 1911 had been accepted; a third was the urgent effort made by Dominion and Provincial Governments to obtain removal of the

British embargo upon live cattle and the starting of an agitation in England to that end.

Following the operation of the new Tariff, various incidents showed its effect in Canada. Calgary, in nearly 3 months, shipped two car-loads of cattle to Chicago or 5 per cent. of the usual shipments; steers in Alberta dropped from $7.75 to $5.25 and cows from $6.25 to $4.00; cattle exports to the United States were falling in any case, with a total of 415,956 head for the year ending Mch. 31, 1920 and 221,278 in 1920-21; the new Tariff accelerated the process while greatly reducing the prices paid to Western farmers. In the four months of June-September, 1921, compared with the same months of 1920, the exports of Canadian cattle to the United States had declined from $7,421,708 to $835,982; so with sheep, from $635,665 to $225,692; of wheat from $4,456,773 to $3,069,268; of wheat flour from $1,059,697 to $119,224; of wool from $716,620 to $2,948; of butter from $1,907,303 to $109,047; of fresh and frozen meat, from $2,677,768 to $1,066,758; of fresh, preserved and condensed milk from $1,882,612 to $182,903; potatoes from of $1,060,198 to $159,475.

The Toronto *Globe* (Nov. 10) indicated the general result as follows: "The Emergency Tariff has succeeded in almost excluding every Canadian farm product, except wheat. Minneapolis millers need Canadian hard wheat for mixing, and the duty of 35 cents a bushel is paid by the United States consumers of flour, including the wheat growers themselves. The Tariff has ludicrously failed to do the thing which it was specially designed to do—raise the prices of farm products. Prices have continued falling, and wheat is back to the pre-war level. The market for foodstuffs is in the grip of world forces which Customs legislation cannot control or deflect." The process continued and for November, 1921, the value of Canadian exports to the United States, affected by this Tariff, was $8,528,963, as compared with $31,288,398 for the corresponding month of 1920; for the six months' period of June-November $25,928,059 as compared with $93,454,442. As to United States trade its Exports decreased during 1921 by one-half or from $8,228,016,307 in 1920 to $4,485,122,696 in 1921; its imports were $2,509,025,403 compared with $5,278,481,490 in 1920. According to U.S. returns its Imports from Canada were $611,863,-170 in 1920 and $335,441,004 in 1921.

The Proposed Permanent U. S. Tariff. Following the enactment of the Emergency Tariff, J. W. Fordney, on June 29, introduced the new Fordney Bill which was intended to be the fiscal policy of the Harding Administration crystalized into law. The preamble described it as "a Bill to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes." It was to be the Republican amendment to the Democratic (Underwood) Tariff of 1913 with a general range of higher duties and the inclusion of most of the increased agricultural and other rates of the Emergency Bill. One

section empowered the President, under certain limitations, to place higher duties than those set forth in the proposed measure against any countries imposing what might be regarded as unreasonable duties on commodities exported to such countries from the United States. A further section gave the President power to conclude trade agreements with foreign countries within a period of three years of the signing of the Bill, and for this the approval of Congress was not required. In such treaties the President could reduce duties 20 per cent. below the rates fixed in the Bill in exchange for similar concessions; agreements concluded under the provisions of this section would remain effective for a period not exceeding five years.

In addition to these bargaining provisions, there were certain items in the Tariff — such as those touching lumber, paper, pulp, pulpwood, automobiles, and coal—the treatment of which turned on that accorded similar products in other countries. In many of its details the new Tariff resembled the Payne-Aldrich enactment of 1909; there were some modifications from the Emergency Act with a duty on live cattle 2 years old and upward not absolutely prohibitive and running to 1¼ cents per lb. or $15 on a 1200-lb. steer instead of $28.80 under the existing rates; wheat was reduced to 25 cents per bushel and butter increased to 8 cents per lb. and the duties on eggs and onions also were raised. The wheat rate was more satisfactory to Canada and represented, roughly, an *ad valorum* customs tax of 14½ per cent. under which, as the Toronto *Globe* of July 1st, put it, "the Canadian wheat-grower could still afford to sell wheat in the United States, duty paid, taking his returns in American funds, and would probably net as much as on wheat exported direct to Europe, which must pay heavy freight rates." The Bill, of course, was very wide and far-reaching; it removed many articles from the old Free List but left a large number still free of duty, including print-paper, wood pulp, leather and harness and agricultural implements; it increased the duties on the great bulk of imports already taxed, and it made no notable additions to the free list.

Opinion in Canada was not vehemently expressed at the proposed permanence of these higher duties though resentment certainly was felt; no Canadian journal used such language as did the Democratic minority Report in Congress which described the Bill as declaring "a savage commercial war upon the whole human family," as "irredeemably, universally vicious," and as marking "the establishment by the United States of an economic boycott against the civilized world." As study was made of the details Canadian comments became rather more keen and the Ottawa correspondent of the *Financial Times* wrote (July 16) that "on last year's trade figures, nine-tenths of the total value of our farm exports to the United States are affected. Instead of the duties being increased on 20, they have been increased on 40 items of farm produce. First reports indicated that only fresh fish was affected; it really looks as though, if the Bill goes through, nine-tenths of our

exports of fish to the United States will be hit. Manufactured, or semi-manufactured, products, will also be more affected than had been imagined." The Department of Agriculture at Ottawa, late in July, issued a statement showing that $27,229,237 of duties would be levied on 12 articles of Canadian farm produce; the Department of Fisheries stated that $15,950,825 exports of Fish (1920) would bear a burden of $1,762,000 in duties with practically everything taxed; statistics elsewhere published claimed that duties would be increased upon $225,000,000 of Canadian exports.

On July 21, with finished lumber, hides, leather, shoes, oil and cotton on the free list, the dye embargo knocked out, and the American valuation provision retained, the Fordney Tariff Bill passed the House by a vote of 287 to 127. The Senate then took up the discussion and one of the chief items of controversy was the valuation clause by which, instead of using the foreign selling price as the basis of computation for *ad-valorum* duties, it was proposed to compute the duty upon the "wholesale selling price" at which similar domestic merchandise was sold in the principal home markets of the United States, or, when no similar goods were made there, upon the wholesale selling price of articles with which it could be compared. The proposal was vigorously opposed in many directions upon the ground that such action would decrease imports, exports and revenue alike and increase depression, unemployment and cost of living; the New York *Tribune* (Rep.) took a notable stand against it.

A strong protest was made by a Sheffield delegation of English steel industries against those duties being made prohibitory. The Hon. L. A. Taschereau, Premier of Quebec, stated on Aug. 8th that: "Someone at present is laying the foundation of a Chinese trade-wall between the United States and Canada. It is not being built from this side of the boundary. This wall threatens to put an end to all trade relations of the two countries." The *Grain Growers' Guide* of Winnipeg (Oct. 5) stated that $172,417,955 worth of export trade in the 1920-21 fiscal year would largely be lost to Canada; the Winnipeg *Free Press* (July 11) declared that if these duties were made permanent "irretrievable damage" would be done to Canadian-American trade and that there would be a "natural resentment which will find expression in disinclination by individuals to buy United States goods or to cultivate trade relations with a country of so fitful, uncertain and jealous a trade temperament."

Reciprocity Conditions in 1921. They were not very favourable and the issue was still unpopular in the East. But in the House of Commons at Ottawa on Apr. 13 the Hon. W. S. Fielding, father of the effort to bring about Reciprocity in 1911, seconded by Hon. Mackenzie King, placed the Liberal policy again on record and stood by the principles of the past in the following Resolution: "In the opinion of the House the Government should bring in a measure to approve, ratify, and confirm the Agreement respecting

Reciprocal trade between the United States and Canada signed at Washington on the 21st day of January, 1911, by Hon. P. C. Knox on the part of the United States, and by Hon. W. S. Fielding and the late Hon. William Paterson, on the part of Canada, which Agreement remains on the statute book of the United States." Mr. Fielding pointed out the situation at Washington, the pending restrictive Tariff legislation, the great desirability of friendly trade relations and the dangers of a different condition. He claimed that as the Reciprocity offer was still a statutory one, Canada was justified in assuming that it was open for adoption.

Sir Henry Drayton, Minister of Finance, agreed as to the need for cordial relations between the two countries but did not think it was wise or useful to try and force the hands of the United States over the old Agreement; he also was opposed to any talk of retaliation as Americans were merely conducting their own business in their own way. The Canadian tariff should be regulated with regard to Canada's own best interests. Dr. Michael Clark was spokesman for the Progressives at the request of Mr. Crerar and he supported Mr. Fielding's motion; the restoration of international trade was, to him, the vital question of the day; Reciprocity would provide larger markets for Canada's natural resources. W. F. Cockshutt (Cons.) claimed that the Canadian market was better than the American market and prices for farm products in Canada were higher than in the United States. Others spoke and the Resolution was defeated by 100 to 79 with the Progressives voting solidly for the motion. Some of the American duties upon Canadian products under the various Tariffs of this period—and the 1911 Reciprocity agreement—were as follows.:

Article	Payne Tariff of 1909	Reciprocity Agreement 1911	Underwood Tariff 1913	Emergency Tariff in force 1921	Fordney Bill as before U.S. Senate
Cattle	$2.00 or $3.75 per head or 27½%	Free	Free	30%	1c per lb. or 1¼c per lb.
Horses	$30. per head or 25%	Free	10%	Not specified	$30 per head or 20%, ½c per lb.
Swine	$1.50 each	Free	Free	Not specified	½c per lb.
Sheep and Lambs	75c each or $1.50	Free	Free	Less than one year old, $1. per head. One year old and over, $2.00 per head	1c per lb.
Meats, Fresh	1½c per lb.	1¼c per lb.	Free	2c per lb.	2c or 1¼c or ¾c per lb.
Bacon and Hams	4c per lb.	1¼c per lb.	Free	25%	1¼c per lb.
Meats, Salted	25%	1¼c per lb.	Free	25%	1¼c per lb.
Wheat	25c per bus.	Free	Free from Canada 35c per bus.		25c per bus.
Wheat Flour	25%	50c per bbl.	Free from Canada	20%	50c per 100 lbs.
Corn	15c per bus.	Free	Free	15c per bus.	15c per bus.
Beans	45c per bus.	Free	25c per bus.	2c per lb.	1¼c per lb.
Potatoes	25c per bus.	Free	Free from Canada	25c per bus.	42c per 100 lbs.
Milk, fresh	2c per gal.	Free	Free	2c per gal.	1c per gal.
Cream, fresh	5c per gal.	Free	Free	5c per gal.	5c to 10c per gal.
Milk, creamcondensed	2c per lb.	2c per lb.	Free	2c per lb.	1c or 1½c per lb.
Butter	6c per lb.	Free	2½c per lb.	6c per lb.	8c per lb
Cheese	6c per lb.	Free	20%	23%	5c per lb. or 25%

The strong Protective feeling of the American farmer was much in evidence at this juncture. The Republican party sentiment seemed opposed to all Reciprocity and Congressman George M. Young, North Dakota, author of the Emergency Bill, voiced this feeling at Washington on Apr. 14, when he said in reference to the Ottawa debate: "Even if the Canadians passed such an Agreement, we can repeal the one (1911) now on our statute books. We have the power to do that, and we would be justified in doing it. I do not think it could be termed a breach of faith, inasmuch as after we passed our part of the Agreement, Canada wasted years and years without acting. It would be a little too late for her to act now." The farmers of the United States were in pretty deep water and trade was decreasing by millions in a week while manufacturing and commercial failures during 1921, as a whole, were double in number and nearly three times in amount over the 1920 figures—19,652 and $627,401,883 (Dun's) compared with 8,881 and $295,121,805. In the States at this time the Workingmen's Protective Tariff League of Missouri, Kansas, Oklahama, and other States supported the Farmers' insistent advocacy as to Protection.

On the other hand, the Canadian Farmers stood out clearly, and in organized form, for freer trade and Reciprocity and voted accordingly in the 1921 elections. The views held by Western organizations were voiced in the *Grain Growers' Guide* of May 25: "The old Reciprocity Agreement of 1911 still remains upon the American statute books, and its acceptance would save Canada from the danger of having her grain, livestock and potatoes shut out of the great southern market." Again, on June 1st, this journal declared that: "It was the Republican party in the United States that agreed to Reciprocity with Canada. That party is in power again, and there is a much stronger low tariff feeling in the country than there was in 1911. It is time for the renewal of a movement for better trade relations with our great neighbours." The wheat exports of Canada to the United States, which the new American tariff seriously affected, were reviewed at this time by the Canadian Council of Agriculture as follows:

1915	4,092,026 bushels valued at	$4,223,505
1917	18,200,283 bushels valued at	23,736,060
1918	23,537,501 bushels valued at	53,561,585
1920	6,661,588 bushels valued at	14,000,932
1921	42,324,894 bushels valued at	91,442,298

This was, indeed, one of the special issues of the Agrarian party in the Elections. On Sept. 9 Hon. J. A. Maharg, Saskatchewan Minister of Agriculture, told the press at Regina that: "The greatest need of the cattle industry is to have the United States market restored to us. The present situation is one which should engage the serious thought of every farmer in the Province and every effort should be made to see that Canada negotiates a trade treaty with the United States which will give us the right to sell our unfinished cattle in that market as we have been doing for years past. x x x Western Canada sells a lot of livestock which is not marketable in Europe, but would be in demand in the United States trade were it not for tariff restrictions."

G. H. Hutton, President of the Western Canada Live Stock Union at Regina on Dec. 13 urged Reciprocity: "I see no loss of dignity or no sacrifice of patriotism on the part of Canadians if we make representations to the United States at this time looking to more favourable reciprocal trade arrangements with that country. The permanent Tariff Bill now being discussed at Washington gives to the President power to negotiate and this provision is specially designed to make possible somewhat flexible trade relations with this country. Let us meet the situation at least half-way." During the Elections the Opposition (Liberals and Agrarians) made much of the claim that had the Reciprocity pact of 1911 been in existence there would have been no lofty duties in 1921 against Canada; the reply was, of course, that the Agreement could by this time have been set aside by Congress in response to public demand. At the close of the year Hon. J. W. Fordney of U.S. Tariff fame, stated* that:

Canada and the United States should be absolutely a unit on tariff policies. The standard of living is the same in both countries; we don't intend to let it slump back to 30 cents a day for farm or factory. Canada is one of our best trade neighbours in the world and we intend to keep her as such. It was largely with a view to Canadian imports that we inserted our plan of valuation at United States ports. When these provisions were being drafted in Committee, more frequent reference was made to Canada than to any other country. The Committee recognizes that wages and production costs in Canada are more nearly equal to those in the United States than elsewhere in the world. It is also recognized that Canada has purchased large quantities of American goods. In regard to trade treaties between the United States and Canada, it is difficult for me to predict what kind of treaty might be acceptable to the two countries. I do not believe however, that the proposal of 1911 would be satisfactory to-day.

The International Joint Commission; St. Lawrence Power and Waterways Project.

This Canadian-American Tribunal received much attention during the year from international publicists as an evidence of what might be done in promoting friendly relations between two neighbouring peoples. It was, also, the centre of discussion as to the great project of an international deepening of the St. Lawrence and development of its Power resources. Created by a Treaty between Great Britain and the United States on Jan. 11, 1909, it consisted of three Canadian members appointed by the King on recommendation of the Canadian Government, and three Americans appointed by the United States President. There were two Secretaries and the Canadian Chairman presided at meetings in Canada, the American Chairman at meetings in the United States; there were permanent offices at Ottawa and Washington. Its powers under specific Articles of the Treaty were, broadly, as follows:

III. No uses, obstructions and diversions, whether temporary or permanent, of boundary water on either side of the line dividing Canada from the United States, affecting the natural level or flow of Boundary waters on the other side of the line, to be made by either of the High Contracting Parties without the approval of the Commission.

*Note—*MacLean's Magazine*, Toronto, Jan. 1, 1922.

IV. The construction or maintenance on their respective sides of the Boundary of any remedial or protective works or any dams or other obstructions in water flowing from Boundary waters or in waters at a lower level than the Boundary in rivers flowing across the Boundary, the effect of which is to raise the natural level of waters on the other side of the Boundary, to also be approved by the Commission.

X. Any questions or matters of difference raised between the High Contracting Parties involving the rights, obligations, or interests of the United States or of the Dominion of Canada either in relation to each other or to their respective inhabitants to be referred for decision to the Commission by the consent of the two parties. In these cases the Commission was authorized to examine into and report upon the facts and circumstances of the particular questions and matters referred, and the majority had power to render a decision or finding upon the questions or matters submitted.

In cases of inability to reach a decision reference was to be made to an Umpire under the Hague Tribunal conditions of 1907.

The genesis of the Commission dated back to the International Irrigation Congress held at Denver, U.S. in 1894, when J. S. Dennis of Canada carried a Resolution urging upon the United States "the appointment of an International Commission to act in conjunction with the authorities of Mexico and Canada in adjudicating the conflicting rights which have arisen, or may hereafter arise, on streams of an International character." In 1896 the Canadian Government passed an Order-in-Council approving these principles and took the matter up with the U.S. Government; in 1902 concurrent legislation created the International Waterways Commission—an investigating body without final jurisdiction or powers; in 1907-8 negotiations between Mr. Bryce, British Ambassador, and Mr. Root, Secretary of State, resulted in the 1909 Treaty which was approved by the Canadian Parliament in 1911.

The 1921 members of the Commission were C. A. Magrath, H. A. Powell and Sir W. H. Hearst, for Canada, and Obadiah Gardner, R. B. Glenn and C. D. Clark for the United States. Lawrence J. Burpee of Ottawa was the Canadian Secretary from the inception of the body. Early in March President Wilson asked for Mr. Gardner's resignation and appointed W. B. Wilson, U.S. Secretary of Labour; shortly after his installation President Harding reversed matters and re-appointed Mr. Gardner. During September the Commission met at points in Montana, and then in Alberta and Saskatchewan, to deal with the complicated issues involved in Irrigation projects affected by the Milk and St. Mary's Rivers and their tributaries in the State and Provinces mentioned. The 1909 Treaty provided that these rivers and their tributaries should be equaly divided for purposes of irrigation and power between the two countries. The United States contention now was that only the water which flowed across the International boundary should be so divided; Canada contended that all the water of the two rivers and all of their tributaries should be taken into consideration in making the division. Both of the rivers rose in Montana and flowed across the boundary into Alberta but, while the St. Mary emptied into the Saskatchewan, the Milk, after a course of more than 100 miles in Alberta, recrossed the boundary into Montana and flowed into the Missouri. The Dominion and Pro-

vincial Governments, the C.P.R. and various Irrigation bodies were concerned in the issue and a settlement was announced at Ottawa on Oct. 4th by Hon. O. Gardner as U.S. Chairman which, he declared, was unanimous; under its terms an equitable decision was arrived at.

Canadian Water-Powers and Waterways. The questions associated with the Commission were closely related at times to water powers and electric power development. The recorded Power available throughout the Dominion, under conditions of ordinary minimum flow and within certain limitations was, in 1921, officially stated at 18,255,000 h.p. The water power available under estimated flow for maximum development, and dependable for at least six months of the year, was estimated at 32,076,000 h.p. There were installed throughout the Dominion water wheels and turbines totalling 2,471,000 h.p. During 1920 about 560,000 h.p. was either installed or under construction at the close of the year; the Water Power Branch at Ottawa estimated that there was a possible turbine installation available of 41,700,000 h.p. It also was stated that the water-power already developed in Canada represented an investment of $475,000,000 or an annual equivalent of 18,500,000 tons of coal which, valued at $8.00 per ton, was $148,000,000. As to Provinces, Ontario had 5,800,000 of Power available, Quebec 6,000,000 h.p., Saskatchewan 3,000,000, British Columbia 3,000,000 and the others small amounts of under a million h.p.

In the Commons on Apr. 18 Mr. Lemieux brought up the application of the Chicago Sanitary District for the right to divert 10,000 cubic feet of water per second from Lake Michigan. He moved for the production of all correspondence between the Canadian and United States Governments on the subject and declared that the object of the "enterprising promoters" of the Canal was to divert Western trade toward the Mississippi. He quoted evidence of engineers to show that this proposal would lower the St. Lawrence Channel by 10¼ inches, and would reduce the carrying capacity of ships. The advocates of the Chicago project had said that they would construct compensating works to protect Canadian interests, but he declared that authorities were agreed that no compensating works would give back to Canada what she would lose.

Mr. Premier Meighen said that no consent or even acquiescence had been given by Canada to this diversion of water; it would, he believed, mean a lowering of the level of the Great Lakes and of the St. Lawrence and entail both reduction of water and power. The Premier stated that the U.S. Secretary of War had granted an application for 4,900 cubic feet but, as a matter of fact, the Sanitary Canal authorities had already diverted more than 9,000 cubic feet. The Canadian Government had protested as strongly as possible, as the correspondence would prove when it was brought down. There was no disposition to refuse the necessary supply of water for the Chicago Drainage project until new works could be installed,

but the Canadian Government had made it clear that the rights of other water users lower down must not be interfered with. The motion for papers was agreed to.

The great importance of these waterways—in a national, Imperial and international sense—was manifest. From Belle Isle to Montreal it was 1,003 miles and thence to Port Arthur or Fort William 1,214 miles; from Liverpool to the head of the Great Lakes it was 3,974 miles or only 808 miles longer than from Liverpool to New York. Montreal had become the second largest port on the Continent and, though the system of Canals in the St. Lawrence from Montreal to Lake Ontario only permitted vessels of approximately 250 ft. in length and 14 ft. draught passing through them, the Canadian Government was completing its new Canal between Lake Ontario and Lake Erie, which would be 25 miles in length, with 7 locks, and a depth of 25 ft. and this could easily be increased to 30 ft. According, also, to the Lake Carriers' Association in its annual report for 1920, 58,527,226 tons of iron-ore were carried in that year over these waterways—an average of 8,500 tons per cargo. Since 1854 more than one thousand million tons of iron ore had been carried on the Great Lakes.

Plans for Deepening and Developing the St. Lawrence. The International Joint Commission in its study of this question, under authority of the Governments of Canada and the United States, had many schemes submitted to it. In a general sense the waterway immediately concerned extended from Prescott, Ont. and Ogdensburg, N.Y., to Montreal, a distance of 120 miles and the horse-power on the St. Lawrence was estimated at 5,000,000 though varying amounts of this were involved in the plans discussed. W. A. Bowden and W. P. Wooten, Engineers, respectively, for the above Governments, submitted a Report early in 1921 favourable to a general deepening of the Waterway from an engineering point of view; they suggested a scheme which included 9 locks, a 33-mile canal, 25 feet of depth, and 1,464,000 h.p. at a cost of $252,000,000.

Under this plan the waterway would consist of a combination of lake, river, canal and locks, and power and navigation dams—two of the important canals having a width of 300 feet. The scheme, it was said, would accord with the regulation of desirable levels in Lake Ontario and in the St. Lawrence River, and permit an increased flow in the latter during low-water periods. The principal power plants would be at Lake St. Louis, and at Morrisburg and Iroquois, and the proposal was that the cost of the project should be divided between the United States and Canada. It was claimed that the revenue from the power alone would pay for the entire project in a few years. H. L. Cooper & Co., an engineering firm, and it was said, on behalf of private interests and capitalists, presented in May an elaborate estimate of costs under private construction. It was proposed to do the Canalization at a cost of $60,000,000 divided between the two Governments, with a 30 foot-channel and the immediate development of 1,000,000 horse-power delivered to consumers, exclusive of taxes, at $17 per h.p.

The first installation, it was proposed, would be on the American side, and would supply 400,000 horse-power—50,000 to be available for distribution in Canada. When the demand exceeded this quantity, construction on the Canadian side was to commence. The ultimate electrical energy that could be produced was stated to be 6,625,000 horse-power which would replace 66,250,000 tons of coal annually. The cost of the Navigation and Power development combined was estimated at $1,500,000,000. The only expense to Governments involved was claimed to be in the preliminary Canalization of $60,000,000: "We seek an opportunity to finance and construct approximately 1,000,000 horse-power of capacity for use in Canada and the United States at costs to the consumers that will be foreknown and guaranteed, and on terms that do not call for Governmental aid, except for the navigation facilities, in which practically all of the people of both countries are interested." G. S. Williams of Ann Arbor, on behalf of the Great Lakes and Tidewater Association, proposed a scheme which included 9 locks, 7 dams, 4,000,000 h.p. at a cost of $750,000,000—the latter plan involving an expenditure of $300,000,000 for navigation purposes and $450,000,000 for developing the horsepower.

The Hydro-Electric Commission of Ontario (Nov. 14) placed before the Commission plans prepared by F. A. Gaby, R. S. Lea and H. G. Acres in three distinct proposals—without final statements of cost. The first was similar to that of Messrs. Bowden and Wooten with a control dam at Morrisburg to protect the levels of Lake Ontario and regulate the flow of the River; the 2nd provided for what was known as double development, and included two series of dams and power-houses, with particular concentration at the Long Sault and a lesser concentration at Morrisburg; in the third details were very similar to No. 2. U.S. Connolly, representing the New York and Ontario Power Co., Waddington, N.Y., presented plans providing for a series of dams from Waddington to Morrisburg, Ont., developing 660,000 horsepower, with a second series of dams at the Long Sault developing 1,000,000 horsepower; the first development was placed at $36,000,000 and the second, approximately, at $65,000,000.

While receiving and considering these and other plans the Commission was meeting at various points in Canada and the United States. At Detroit, on Mch. 31, Congressman O. J. Larson of Minnesota stated that the proposed waterway would add $300,000,000 a year to the value of farm products of the United States while Canadian farm products would increase in value $44,000,000 a year. H. J. Hughes, personal representative of the Governor of Minnesota, told the Commission that he also represented about 50,000 organized farmers of his State with business interests in St. Paul, Minneapolis, and other cities, and voiced unqualified approval of the project. At the same time a Convention of the Great Lakes and Tidewater Association, representing 15 States, met in Detroit and expressed renewed confidence in the undertaking.

On July 10, 100 men prominent in the political and business life of the United States, visited Niagara Falls as guests of the Province of Ontario and under the auspices of the Great Lakes and St. Lawrence Tidewater Association of the United States. It was a tour of the proposed route of the International Deep Waterway and two days were given to an inspection of the Hydro-electric undertakings centred upon Niagara Falls. At St. Catharines (July 11) Sir Robert Borden welcomed the party which he afterwards described as perhaps the most important American body which had ever come to Canada; the new Welland Canal was then visited and the Delegation was in Toronto on the 12th and heard Sir Adam Beck—after which they started down the Lake and River to Rochester, Ogdensburg, Montreal and Quebec. The successful object of the trip was to convince themselves that (1) the two nations could actually combine to deepen the channels between tide-water and the Great Lakes sufficiently to increase and cheapen water carriage from the wheat countries to the sea, and that (2) there could be a joint exploitation of the immense water-powers running to waste in the St. Lawrence.

There was much favourable opinion expressed. A Chicago journal, *Power Plant Engineering*, declared in August that the project would save the United States 100,000,000 tons of coal a year and $18,000,000 on the transportation of wheat alone; it would be the remedy for American freight blockades and help to check excessive railway rates. The Toronto *Star* and Toronto interests favoured the plan for some at least of the reasons that Montreal and New York opposed it. It would make the Ontario City a sea-port and its harbour a hive of transportation development and the journal in question estimated (Sept. 16) a saving on freight rates, upon the Lakes alone, of $31,000,000; the scheme should save from 8 to 10 cents per bushel on all the grain raised in the districts tributary to the Great Lakes and this saving would amount annually to about the cost of the improvements proposed.

The Ontario Hydro-Electric Commission reported in November that the St. Lawrence would yield over 4,000,000 continuous horsepower of which 1,600,000 was in the international portion of the river with 800,000 h.p. belonging to Ontario. If this latter amount were available to-day it could all be utilized within a relatively brief period. On the assumption that power would be available in 5 years the Commission estimated a demand for nearly 3,000,000 h.p. within the present decade and more than 6,000,000 before 1941—in addition to the present demand. The Toronto *Globe* stood vigorously for the project and on Nov. 21 stated that: "The deepening of the St. Lawrence canals is inevitable. The weight of public opinion behind the project is irresistible. New York and Montreal have not power enough to prevent the 20,000,000 people who have built their homes and carry on business on the border of the Great Lakes from using to the full the great advantage of water transportation."

In the U.S. Congress on Dec. 5 there was a vigorous debate on the project with A. P. Nelson, Wisconsin, and W. W. Chalmers of Ohio, both Republicans, in favour and A. J. Griffin (Dem.) with F. C. Hicks (Rep.), both of New York, against the plan. Mr. Nelson stated that "on the grain produced within the territory affected there would be a saving of $350,000,000 annually and it may be conservatively estimated that the producers of the United States will be benefitted to the extent of at least $500,000,000 in return for a total expenditure of less than $150,000,000 which will be reimbursed to the Government, in full, by the revenue derived from water-power." Incidentally, Mr. Chalmers declared that the Power-station would be within the territory of the United States, close to the Canadian line and only 170 miles from Boston. At the close of the year it was understood that the International Joint Commission had decided to recommend to Parliament and Congress the scheme of its joint engineers which would cost the two countries $252,000,000 to carry out.

Meanwhile the Canadian Deep Waterways Association had met in Hamilton on Nov. 1st with President O. E. Fleming, K.C., of Windsor in the chair. Hugh Blain, Toronto, criticized the attitude of Montreal and claimed that as the Federal Government had expended upward of $57,000,000 on the harbour there and on the St. Lawrence River below Montreal that City should not object to the project even if it did specially benefit Toronto. He urged the new policy as a means of developing Canadian resources and re-adjusting freight rates; Mr. Fleming pointed out that the Tide-water Association in the United States, a kindred organization, was supported by financial grants from the Legislatures of 18 Middle-West States and urged similar Ontario support. Mayor C. G. Coppley of Hamilton stated that his city was behind the scheme; H. T. Harriman, President of the New England Power Co., Boston, claimed that grain could be shipped by the improved waterway from the head of the Lakes to Boston for six or seven cents per bushel compared with the current cost of two cents from Fort William to Buffalo and 12 cents from there to the Atlantic seaboard. At the evening banquet Congressman A. W. Jeffries of Nebraska spoke as well as Mr. Harriman. Mr. Fleming was re-elected President and F. Maclure Sclanders, Windsor, Hon. Secretary-Treasurer; the Vice-Presidents were E. L. Cousins, Toronto, George G. Guy, Hamilton; Major A. C. Lewis, M.L.A., Toronto, was again appointed Secretary-Treasurer.

Opposition to the Waterway Plans. There was much opposition from the Province of Quebec and the State of New York. There, also, was a tendency in Ottawa and Montreal to support the old Georgian Bay, all-Canadian project, *via* the Cardinal-Ottawa route and costing an estimated total of $80,000,000. The Ottawa *Journal* took this view and strongly opposed the whole Deepening project; its principle argument was the apparent fact that Canals and Waterways did not pay, that shippers preferred the Railways, that while Canal traffic was decreasing the other was increasing.

Another related to the action of the Chicago Drainage Canal interests in affecting the whole St. Lawrence System by lowering the depth of water. The Montreal Board of Trade in its 1921 Report re-affirmed its views and support of the Shipping Federation of Canada (also of Montreal) by an elaborate declaration that: (1) Navigation interests on the St. Lawrence required all the available depth of water between Montreal and the sea and this might be interfered with by the proposed dams and power plants; (2) that the cost was greatly under-estimated and would total at least $200,000,000 for a 20-foot channel; (3) that for a 30-foot channel the cost would be enormous with, probably, a dredged canal from Montreal to Lake Ontario and one, also, up the Detroit and St. Clair rivers, together with the rebuilding of the Welland and Sault Ste. Marie canals to 30 feet; (4) that from an economical point of view it was improbable that ocean-going vessels would ever make a practice of trading to ports on the Great Lakes, no matter to what extent the canal systems west of Montreal were enlarged and deepened—as the cost of upkeep of ocean steamers, the delay in proceeding through the canals, and danger of damage, would be too great to make them a revenue-paying proposition; (5) that Canals should not be built internationally and that those in Canada should be built and owned by the Dominion Government; (6) that the proposed power action would be of little benefit to Canada as Ontario had immense water powers awaiting action of which Canada would have the entire product; (7) that the proposed development would vastly more benefit the United States than Canada, and that it would be better for the Dominion Government to adopt the Georgian Bay Canal scheme as cheaper, more beneficial and all-Canadian; (8) that the finances of the Dominion made the plan unwise and, especially so, in view of the fact that Canals along the border were free of toll. Another point of view was expressed by Rev. Canon F. G. Scott, D.S.O., of Quebec who, in an interview on July 18, said:

> The scheme though expensive, is feasible, and at first sight seems attractive; but Canadians must wake up to the fact that the inter-nationalizing of our great waterway is fraught with the most momentous consequences to our national life. . . . What would the inter-nationalizing of our great and distinctive Canadian river mean to Canada? The St. Lawrence, with the exception of something less than 100 miles, lies wholly in Canada. It is a gigantic asset for this country. What part it will have to play in the development of Canada in the future, no one can say. It is not merely a Canadian asset, it is an Imperial one, and must be wholly under control. At some future time, the Empire might be at war with a foreign power with which the United States was at peace and it might be necessary for us to close the river by mines or in other ways. It is the very spinal marrow of Canada and on its shores and the shores of its tributaries lie the cities or villages of a large part of Quebec and Ontario.
>
> The inter-nationalizing of the St. Lawrence would cut us off both really and sentimentally from the lower Provinces. The thing is unthinkable. Would the Americans consent to the inter-nationalizing of the Panama Canal or Mississippi? Our great river must be ours and ours alone. Canadians must face the fact that the joint stock management of the St. Lawrence would be the first step to Annexation.

In New York, Governor Nathan L. Miller vigorously opposed the project. He feared inter-national complications and delay in

current developments at Niagara and in the St. Lawrence itself; he preferred private rather than public effort in such a connection and urged State development of its own resources as the first consideration. State transportation interests urged attention to their own facilities and especially the New York Barge Canal which, it was claimed, now gave established rates, through bills of lading, insurance on cargoes, free store door deliveries at Buffalo, and transfer allowances in the Port of New York, and had working agreements with both lake and ocean transportation lines. It was claimed, as in Montreal, that it was not economical to send large ocean-going steamers the long trip up river, canal and lake to Lake ports.

E. H. Outerbridge, Chairman of the Port of New York Authority, in a letter published during September, claimed (1) that the final costs would run up to 1,000 millions; (2) that navigation of the St. Lawrence River was open only 7 months of the year; (3) that the Canal would be absolutely uscless unless Lake ports and channels were deepened to 30 feet at an enormous cost; (4) that insurance rates on the St. Lawrencc River were higher than for Atlantic ports and especially so in the fall and spring; (5) that the operating cost of ocean-steamers through such a Canal under the most favourable circumstances would be far greater than the cost of transporting grain through elevators to ocean ships at a real ocean port; (6) that as a Power proposition, even if justified on economic grounds, it was not one to which the U.S. Government should pledge its credit or spend the money of the people; (7) that since private capital had not displayed any willingness to furnish capital for the Canal it was apparent that faith in it was lacking; (8) that it had none of the justifications of the Panama Canal, in cutting off enormous distances betwecn the various States with its possession a matter of Naval and military protection of the country's coasts. On Sept. 8 a Deputation from New York interests opposed to the policy visited Montreal and conferred with the local Shipping Federation, the Harbour Board and the Board of Trade. The Boston Chamber of Commerce in March issued a statement through W. H. Chandler that the project was not practicable from an engineering point of view or necessary as an economic consideration; he claimed, as did New York opponents of the plan, that Massachusetts, Pennsylvania and New York would bear the bulk of the taxation involved.

CANADA

AND ITS

RELATIONS WITH THE EMPIRE

British Conditions in 1921 Touching Canada and the Empire.

Under ordinary conditions Canada was not much affected by the Party politics of the Mother-Country; in a broad sense and, apart from the single issue of Protection *vs.* Free Trade, Canadian sympathies were, probably, with British Liberalism. There was little division of thought however, as to the Lloyd George Government and Coalition during the War, nor afterwards and through 1921, except perhaps for inevitable differences on the Irish question. The burdens borne by the United Kingdom at this time were enormous—at the heart of the Empire and all over the world. The Army estimates for 1921-22 were £106,315,000 and those for the Navy £82,479,000; large as the figures were they involved a decrease of £16,000,000 in the year.

British trade had decreased—as a result of worldwide depression, of Labour conditions in general, and of wages maintained above the level at which the public could absorb the product—from £1,932,648,881 of Imports in 1920 to £1,086,687,213 in 1921 and from £1,557,222,600 of Exports to £810,248,354. The wealth of the country was enormously taxed with £721,000,000 raised in 1920 as against £93,000,000 in 1913. For the fiscal year 1920-21 the Revenue was £1,425,985,000 and the Expenditures £1,195,428,000 with the surplus applied to Debt reduction; in this general connection the costs of the fighting services had also been reduced £400,000,000 in two years. British reconstruction meant much to Canada; it would probably involve a new stream of wealth to the outer Dominions and, already, in 1920 £25,000,000 had gone into the securities of other British countries as against £12,000,000 in Foreign securities.

Despite the enormous War Debt of £7,500,000,000, the inevitable unemployment of war's aftermath and the obligations of world-relief which Britain assumed, up to a total of £48,338,000 granted various countries by October 1920, there was steady improvement in 1921. Bank dividends were maintained at the 1920 level and Bank liquidation of "frozen" loans was said by the London *Times* to have been healthy and satisfactory; the leadership of the world in ship-building was re-captured with 1,538,052 tons of construction compared with 1,006,413 tons in the United States; the balance of trade against the United Kingdom was reduced by £200,000,000 or one-half; the greatest display of British manufactures ever brought together was shown in three miles of stalls at the British Industries Fair in London, Birmingham and Glasgow; in the two fiscal years of 1920 and 1921 the Debt had been reduced by £203,000,000—including payments of £20,000,000 to Canada and £75,000,000 to the United States.

At one day's Session of Parliament during July, 1921, Britain, as the guardian of the Empire, voted millions for duly explained expenditures in Tanganyika, in East Africa, Ceylon, Mauritius, Trinidad, West Africa, West Indies, Malta, Rhodesia and the Kenya Colony. During the year, in a trade connection, it was announced that the British Government was prepared, under certain conditions, to guarantee drafts drawn against shipments of goods to the following countries: Finland, Latvia, Esthonia, Lithuania, Poland, Czecho-Slovakia, the Serb-Croat-Slovene State, Roumania, Georgia, Armenia, Bulgaria, Austria and Hungary; these guarantees would only be granted in respect of goods wholly or partly produced in the United Kingdom.

The King and the Royal Family. The position of H.M. the King was at this time not only important constitutionally, but it was of great interest in current discussions of Canada's national place in the Empire. There was no serious question raised in Canada as to the necessity and desirability of the King remaining as the head and symbol of the Empire, nor was there any issue as to the personal allegiance of Canadians to him as their Sovereign. His personal popularity was a quiet but effective factor in conditions at home; it was a very real thing in Canada and the other Dominions; it was a potent force in the influence of Britain abroad during this period of restless change. The controversy between Lord Northcliffe and the Lloyd George Government over the former's alleged use of the King's name during an expression of opinion upon the Irish question in a New York paper on July 23 illustrated these facts. It afterwards appeared that the interview was with Wickham Steed, Managing Editor of the *Times*, and he claimed to have been grossly mis-quoted. The incident evoked a direct and unusual denial from the King, which the Premier read in the Commons on July 29 with a number of tributes to His Majesty in press and speech—perhaps the most notable being that of Rt. Hon. J. H. Thomas, Labour leader in the House.

During this year the King and the Royal family practised many economies and permitted nothing of extravagance in any of their establishments; the income of King George was £470,000 or the same as that voted to King Edward in 1901—with £43,000 from the Duchy of Lancaster—and out of this total large annuities were paid to Queen Alexandra and others, with salaries to officials of £125,000, expenses of Household £193,000, etc. Though the recognized head of the Empire and of its various nations, the 375,000,000 of British subjects abroad contributed nothing to the King's maintenance. During the War His Majesty had been able to keep his Household within his income and, in 1916, to contribute £100,000 to the War Treasury. In 1921, however, in order to meet increasing costs of living, the King found it necessary to realize £100,000 from his private property—the Duchy of Lancaster—and this reduced his income by £5,000. Toward the close of the year it was announced that Queen Mary had presented to the people of Canada the dress worn by Her Majesty during the Corona-

tion and also that worn by the Queen for Their Majesties' drive through London on the day after their Coronation and, subsequently, for the State entry into Delhi. The two dresses were deposited in the Royal Ontario Museum at Toronto.

The Royal family shared, as usual, in the public work of the Empire. The Prince of Wales, at home and in India did much to develop popular loyalty and unity and good-feeling—as he had in Australia and New Zealand in 1920 and Canada during 1919. The Duke of Connaught visited India and opened the new National Parliament at Delhi; Prince Arthur of Connaught proved a great success as Governor-General of South Africa and won extraordinary popularity, visited the people in their homes and over coffee and Boer tobacco—as one writer put it—captivated men and women alike; Prince Albert, who was created by the King Duke of York, Earl of Inverness and Baron Killarney, took his initial part in public life and functions during the year. In Canada, as elsewhere in the Empire, the engagement of Princess Mary, the King's only daughter, which was announced on Nov. 22 to Lieut.-Col. the Viscount Lascelles, D.S.O. and bar, son and heir of the Earl of Harewood, and 39 years of age, aroused much interest. Lord Lascelles had in 1907-11, been A.D.C. to Earl Grey when Governor-General of Canada; in 1916 he had inherited a fortune of $12,000,000 or so, from the Earl of Clanricarde. The Princess was popular to a degree in England; her proposed marriage to a commoner with only a courtesy title was everywhere regarded with favour. H. E. Lord Byng of Vimy, on behalf of the Canadian Government, cabled congratulations to the King and received cordial acknowledgment. The Crown Princess of Sweden who had been Princess Margaret of Connaught, died on May 1st at Stockholm; at Ottawa on Dec. 9 it was announced that the King had appointed Lieut.-Col. H. M. Urquhart, D.S.O., M.C., of Victoria, as his Aide-de-Camp for Canada.

The Prince of Wales in England and India. During 1921 the Prince touched Empire interests at many points. Just before the beginning of the year Rear-Adm. Sir Lionel Halsey was appointed Comptroller of his Household and, in far-away Calgary, Alberta, His Royal Highness divided honours about equally with the Hon. Duncan Marshall, Minister of Agriculture, in sheep awards at the local Winter Fair. The Royal ranch in the foothills of the Rockies was at this time devoted to the raising of Shorthorn cattle, Shropshire sheep, Dartmoor ponies and thoroughbred horses; an exhibit of sheep from the "E. P. Ranch" was shown at the Vancouver Exhibition later on. W. L. Carlyle, B. Sc., Toronto, was Manager and it was understood that the Ranch consisted of 1,400 acres of deeded land, and 2,600 acres of leased land. Most of it was used for grazing and in meadows. In stocking the farm, the Prince had sent most of the pure-bred stock from his own farms in England.

The Prince's first public effort in 1921 was an appeal on behalf of the Boy Scouts of whom he had seen so much in the external

Empire; on Mch. 4th he upheld his reputation as the nation's representative sportsman by riding through and winning the Grenadier Guards' steeplechase at Danbury after a hard fall at the second fence; a little later the Prince became the proprietor, by purchase, of the Scilly Islands which have been described as "the flower-garden of the Empire." It would be impossible and out of place here to even indicate the myriad functions, addresses and incidents of the year associating the Prince with the public life and people of Britain. By the Autumn all arrangements were made for the Royal tour of India and, on Sept. 1st, the Prince's Staff was announced to include the Earl of Cromer as Chief, Admiral Halsey as Comptroller, with G. F. de Montmorency, Colonel R. B. Morgan and Sir Godfrey Thomas, Captains Piers Legh and Dudley North, who had been in the 1920 tour, and many others.

H.M.S. *Renown* was again placed at the Prince's disposal; the Royal party left Portsmouth on Oct. 26, arrived at Gibraltar on Oct. 29 and at Malta.. on Nov. 3rd where the Prince opened the first Maltese Parliament, visited Suez and Aden and reached Bombay on the 17th. Here his first action was to deliver to the people of India a Message—from a pavilion, brilliant with flowers and pennons, where, on a cloth of gold, stood three golden Chairs of State, of which the middle one was occupied by the Viceroy, that on the right by the Prince and that on the left by the Governor, Sir Francis Lloyd. The Message was from the King-Emperor and in it, after reference to previous visits by Edward VII when Prince of Wales and by himself, His Majesty said: "With this same hope and in this same spirit my Son is with you to-day. The thought of his arrival brings with a welcome vividness to my mind the happy memories I have stored of what I myself have learned in India; its charm and beauty, its immemorial history, its noble monuments, and, above all, the devotion of India's faithful people since proved, as if by fire, in their response to the Empire's call in the hour of its greatest need. Throughout the civilized world the foundations of social order have been tested by war and change. Wherever citizenship exists it has had to meet the test, and India, like other countries, has been called to face new and special problems of her own. For this task her armoury is in the new powers and the the responsibilities with which she has been equipped."

The splendid scenes at Bombay were duplicated elsewhere and often, in brilliance and colour effects, in massed crowds, in sombre Oriental shades, in a splendour and state such as Western eyes have never seen and Western minds can hardly conceive. There was the glitter of sunshine, the thunder of guns, the fluttering of flags, and the masses of people ablaze with colour, rising tier above tier from the street to the roof tops; there was all the gorgeousness of trappings and vivid effects of the East, the background of a million dusky natives, of myriad eyes and tongues of speech, the inscrutable silent gaze which no white man has ever fully understood; there was the clatter of cavalry and mounted troops in picturesque uniforms and, for five miles through this human mass, there passed a single

slender figure clad in white, slashed across with the pale blue ribbon of the Star of India. Following this first visit of the Tour, the Prince, during the balance of 1921, was welcomed at the historic centres mentioned below:

November	23–24	Baroda	December	7–8	Bharatpur
"	25–27	Udaipur	"	1–12	Lucknow; Allahabad
"	28	Adenere	"	13	Benares
"	29–30		"	14–21	Bairagnia
"	1	Jodhpur	"	22–23	Patna
December	2–6	Bikanir	"	24–30	Calcutta

This covered only a portion of the Tour but it was replete with picturesque, vivid, intensely interesting incidents; sights at once bright and brilliant, sad and sombre; influences and spectacles which were at the same time infintely attractive and fiercely repellant. The Imperial Service contingents and the representatives of a million men who served in the War, the gorgeous rulers of tributary states and the squalid masses who were ruled, the Princes, and Statesmen, the wild warriors of wilder clans and tribes, the students and the agitators, the office-seekers and office holders—all were met and, no doubt, studied in a fleeting way. So with the intense ignorance of the masses and the fanaticism of the tiny educated class, the martial ardour of the Mohammedan and the peace-loving yet life-callous temperament of the Hindu, the myriad races and classes and castes, the bitter hatreds and remorseless feuds, the endless contradictions of life amidst 320,000,000 of the most diversified people in the world—all were seen in a kaleidoscopic procession of vivid pictures. Of his first week the *Times* correspondent wrote (Nov. 29):

> The whole week has been one grand pageant of colour, movement, light, and music; of flags, decorated streets, palaces, and temples; of swarming populations, marchings, and processions; of princely jewels and sumptuous cloths and tissues; of troops in brilliant uniforms, from the half wild horsemen and armour-clad warriors from the Middle Ages to the superbly trained and magnificently equipped regiments of to-day; of elephants, camels, oxen, and horses, all in gorgeous trappings; of crocodiles in tanks and motor-cars; of British Army bands and the weird throbbings of native drums and the clanging temple bells; of hot sun by day on yellow land, dark foliage, and white houses, with kites wheeling overhead, and clear crystal nights, with jackals howling in the starlight.

During this eventful, crowded, changing month, in what has so often been called the changeless East, the Prince did polo and pig-sticking with the veteran Sir Prata Singh at Jodhpur and reviewed the Indian Lancers of Palestine fame; saw something of Indian education at Mayo College, Ajmere, and of duck-shooting at Bharatpur; witnessed a fête at Lucknow which recalled the glories of the ancient Nawabs and Kings of Oudh; shot tigers and other big game with Sir Shamsher Jung in the Nepaul Terai; spent some days as the first Royal guest of the first Native Governor of a British Province—Lord Sinha of Raipur, Governor of Behar and Orissa; held a magnificent Royal Durbar at Patna, and travelled in a train of ten coaches, painted in cream colour and royal blue, with plate glass windows and every conceivable comfort.

At the Poona races (Nov. 20) the Prince put aside the official plans, and, amidst a scene of extraordinary enthusiasm he strode well ahead of the Governor and his Staff, who were accompanying him, and passed down the whole half-mile, brushing close to the rails, laughing, acknowledging cheers, exchanging greetings, and touching the hands reached out to him. At Baroda a Durbar was held on floors of carpeted gold with walls of marble and teak, after leading a procession which included batteries of gold and silver guns, colossal elephants bearing silver and golden thrones—the Prince himself in a barouche scintilating gold and jewels; at Calcutta a Pageant in the Maidan showed the Orient at its best with slow processions of gorgeously equipped men and elephants and other beasts in an unparalleled colour effect—black, orange, golden, white, yellow, purple and green, the seven notes of the Indian scale, succeeding each other, each with its appropriate instrument and symbol, each with its attendants and musicians, each with its deity in its car.

There were devil dances by Thibetan monks wearing the grotesque masks of symbolic Buddhism; there were graceful dances by women of Manipur; there was the New Year parade of the Moslems with horses and elephants bearing emblems of sovereignty—each of the latter being made to salaam before the Prince; and continued with an enormous succession of brilliantly clad soldiers, officials and marshals, bullock cars, palanquins and musicians. It ended, as it had begun, with a long sequence of elephants, each duly representative of some aspect of Moslem religious life. At Christmas time the Prince rested, with the first part of his Tour an unquestioned success—due, in part, to his own personality, in part to the Indian love of splendour and spectacles. He had overcome a strained situation of distrust and agitation and the secret machinations of disloyal treachery; he had conquered the Hartal or boycott in the form of a day of mourning and retreat, proclaimed by the National Congress and the Moslem League, for the places he was to visit; he had faced real personal danger from fanatics who might think nothing of his life or their own; he had once more proved that the *Pax Britannica* was a real thing amongst the stormy or sullen, silent and secretive, masses of this Oriental Empire.

Progress of Protection in Britain. This issue and the fiscal legislation of 1920-21 were of much interest to Canadians; the situation had already aroused the keen suspicion of British Liberals and the opposition of Mr. Asquith as their Leader. Amongst the Resolutions passed by the Conference of the National Liberal Federation at Nottingham on Feb. 23-24, 1921, was one approving establishment of a National Industrial Council to deal with Labour problems, strikes, unemployment, production and capital conditions; another declaring against recent "protective fiscal measures" and demanding that "the well-tried Free-Trade policy of this country shall be re-established." Following the War, the Lloyd George Government had formulated a policy safeguarding what were termed "key industries"—those which had

been established during the War for purposes of National safety and which now required fiscal support for their maintenance. Legislation, in 1921, was carried giving a protective duty of 33⅓ per cent. on the value of specific articles for a 5-year period. They included:

1. Optical glass and optical elements.
2. Microscopes, field and opera glasses and optical instruments.
3. Flasks, beakers, measuring cylinders, thermometers and scientific glassware.
4. Evaporating dishes, crucibles and other laboratory porcelain.
5. Galvanometers, barometers and various scientific instruments; gauges and measuring instruments.
6. Wireless valves and vacuum tubes; ignition and permanent magnetos.
7. Arc-lamp cartons and Hosiery latch needles.
8. Metallic and ferro-tungsten and manufactured products; compounds of thorium, cerium and other rare earth metals.
9. All synthetic organic chemicals—other than dye-stuffs, colours, etc.

There also was an anti-dumping section under which a Customs duty of 33⅓ per cent. of the value on articles imported into Great Britain, of any class or description in respect to which an Order of the Board of Trade had been issued as to specific countries and as being offered for sale in Great Britain (1) at prices below the cost of production or (2) at prices which by reason of depreciated currency were below the prices at which similar goods could be profitably manufactured in Great Britain. This was aimed at Germany chiefly, but Liberals claimed that the wide latitude of these clauses made the measure one of serious Protection. Sir John Simon in London on June 3rd declared that: "This Bill puts a premium on dearness. It taxes articles because they are being sold too cheap, and this at a time when the one outstanding desire of every consumer is to see prices fall, and when the one outstanding necessity of British commerce is to encourage trading with everybody." Manifestos in opposition were issued by a number of Cotton manufacturers, and by a Committee of Bankers, as smashing into the Free-trade citadel. The measure passed in due course as did a later one presented by Sir Robert Horne, Chancellor of the Exchequer, and entitled the Trade Facilities Bill. It provided for an Export Credit scheme and for guaranteeing loans up to a limit of £25,000,000. "It is our duty as well as our interest," said Sir Robert on Oct. 25, "to develop the great estate we own throughout the world. These possessions are our best customers, and have proved in times of difficulty our most loyal and attached friends."

British Incidents of Imperial Importance.

Jan. 7. Viscount Milner, K.G., G.C.B., G.C.M.G., retired from the post of Secretary for the Colonies and was succeeded by Rt. Hon. Winston Spencer Churchill, M.P.

Jan. 19. The marriage of Lieut. the 5th Earl of Minto to Miss Marion Cook, daughter of Mr. and Mrs. G. W. Cook, of Montreal, was an event of interest to Canadians and was attended by the Governor-General and Duchess of Devonshire.

Feb. 18. Lord Lee of Fareham, Minister of Agriculture, was appointed 1st Lord of the Admiralty.

Mch. 17. The Rt. Hon. A. Bonar Law, P.C., LL.D., M.P., Lord Privy Seal and Government Leader in the Commons, resigned from the Cabinet and the leadership. He was a Canadian by birth. On Mch. 1st the Rt. Hon. Austen Chamberlain was elected Leader of the Unionist Party in the House.

Apr. 8. Lord Edmund Talbot, only brother of the late Duke of Norfolk, was appointed Viceroy of Ireland under the new Act and in succession to F. M. Lord French—with the tital of Viscount FitzAlan of Derwent.

Sept. 16. It was announced that the Colonial Office under Mr. Winston Churchill was engaged on an important scheme for the re-organization of the administration of the Crown Colonies and Protectorates, designed to extend among other things, a greater amount of autonomy. The main proposals were the grouping of the various Crown Colonies according to their geographical position under High Commissioners, to whose shoulders would be transferred some of the duties and responsibilities—especially in the way of public appointments and concerning financial problems—which now devolved on the Secretary of State.

Oct. 1. Lieut.-General the Earl of Cavan, K.P., G.C.M.G., K.C.B., M.V.O., was appointed Commander-in-Chief at Aldershot.

Dec. 22. The successful closing of an Indian Loan in London for £10,000,000 prompted the *Times* to point out that since Sept. 28 no less than £48,155,000 had been advanced in London for the Dominions and Colonies—including South Africa, Australia, Nigeria and India.

Nationalism in the Empire: Special Developments of 1921.

The issues involved in these simple words of Nationalism and Self-government were so varied, so numerous, so vital to the future of Great Britain and its Commonwealth of Nations, that many books could be written about them and then only skirt the fringes of possibility in a world-empire. It is thought that a brief presentation of the extreme and anti-British type of Nationalism which showed itself throughout the Empire at this time would be of value. Canada's particular phase of evolution and that of Ireland are considered separately*. There were two forms of Nationalism developing side by side during 1921—sometimes antagonistic, sometimes merging in one another, always opposed to what was termed Imperialism. There was the Nationalism represented by Sir Robert Borden and Mr. Meighen and their Unionist followers, by General Smuts in South Africa, and by the Liberal party in Canada—a form of constitutional national evolution, within the Empire, but opposed to any centralization of the Empire's government in London; there was, also, the Nationalism represented by Henri Bourassa and John S. Ewart, K.C., which involved the creation of a nation or republic without the Empire—separation to take place whenever convenient to Canadians themselves.

Nationalism and the Independence of Canada. The very limited discussion of this latter question in Canada received a fillip in 1921 from the International discussions of the year. It was argued by the small group of men interested, that Internationalism was the antithesis of Empire and Imperialism; that representation in Conferences at Versailles, or Geneva, or Genoa, or Washington, was an evidence of Canada's growing independence of Imperial considerations or interests, and would soon lead to

*NOTE.—See International Relations in this volume; a special Section is given to Ireland.

friction with British representatives; that the more this policy was cultivated the more rapidly the country would come to Independence and separation; that allignment with the United States against Great Britain, as in the Japanese treaty, was inevitable and should be encouraged; that the appointment of Dominion Ambassadors or Ministers would be a distinct step along this path. It was believed by prophets of this school that the logical outcome of autonomy was Independence, that the power to amend the constitution, the proposed abolition of Privy Council appeals, the dependence on a League of Nations and the United States rather than on the British Empire, the choice of a Canadian flag instead of the Union Jack, the replacing of "God Save the King" by "O Canada" as a National anthem, the elimination of all responsibility for Empire interests and policy, would work, and were working, toward the end in view.

Mr. Ewart's one-time idea of a series of independent nations under one King had been abandoned by him for a purely Canadian republic and on Feb. 26 he asked this question: "If we are a free and independent nation, why should we hesitate to proclaim the fact and order our national life in accordance therewith?" Lindsay Crawford, his Irish colleague along these lines, had a point of view illustrated in his speech at New York on May 6: "We are protesting against an England that is already on its death-bed, and should have gone down to perdition with Germany itself." Equally interesting was the attitude of Prof. O. D. Skelton of Queen's University, who wrote on Feb. 25 (*Grain Growers' Guide*):)"Why not push to its logical conclusion the policy of Imperial alliance, the re-shaping of the Empire, so far at least as the lands of white men go, into a league of nations equal and independent, linked by a common King?"

The *Statesman*, a weekly journal edited by Lindsay Crawford, continued to write unceasingly along separatist lines. In its pages on Feb. 7, 1920, Mr. Ewart had said: "I now ask whether independence as a republic with a Canadian President would not be better for Canada than independence as a monarchy under a bifurcated king." The *Canadian Independence Papers* were issued by J. S. Ewart who, also, regularly wrote for the above journal; the Daughters of Canada, a new Toronto organization, heard all the speakers along this line whom it could obtain. They were addressed by Mr. Ewart on Apr. 16, 1921 who gave a personal version of Empire as it is, or was, and added:"As Canada is not a dominant part and not a subordinate part, she can't be part of an Empire at all, except in form, and the form has outlasted its reality, as most forms do."He urged abolition of appeals to the Privy Council; he also claimed that Canada's interests were distinctly divergent from those of the United Kingdom.

Another advocate of separation was the Rev. Dr. George Workman who told the Daughters of Canada, Toronto, on Feb. 1st that: "For nearly 50 years I have been an advocate of Independence, believing that to be our inevitable destiny. x x x We should gain

our independence in a quiet way and by constitutional means, of course." Armand Lavergne, the chief disciple of Mr. Bourassa in Quebec, stated at Kingston on Feb. 5 that: "So long as we are a colony, until the glorious day when we fulfil the promise made in 1867 of making this a sovereign and independent country, we must not forget that 'eternal vigilance is the price of liberty'." Others whose speeches indicated support of this view were C. J. Foy, K.C., the Abbé Groulx of Montreal, Amédée Monet, M.L.A., Montreal. At Quebec on Dec. 22, in speaking at a dinner tendered to Mr. Lavergne, Henri Bourassa expressed himself rather differently*. In reviewing the problems which Nationalism was facing to-day, he said: "Confederation has lived. I do not know how long it will continue—perhaps 20, perhaps 30 years, perhaps longer—but it is fatally wounded." The fight should be, not against England, but against Anglo-Saxonism, whether it was British or North American. Such, in 1921, were the expressed elements of separatist Nationalism as distinct from evolutionary and natural developments within the Empire. They were not conspicuous though they had elements of strength; they had not aroused opposition to any serious extent or awakened British sentiment. On the other hand there was very little active propaganda or public expression along what might be termed Imperialist lines.

Nationalism in Australasia during 1921. In Australia there was at this time a measure of incipient republicanism, largely composed of Labour extremists and of Irish citizens to whom the Settlement of 1921 had not yet appealed; this element had been strong enough during the War to defeat Conscription but not strong enough then, or in later years, to defeat W. M. Hughes. Like the Prime Minister, the majority of Australians stood strongly for union with the Empire; a very considerable proportion would have supported reasonable forms of closer relationship; the Nationalism of Mr. Hughes at Versailles and in London was not aggressive; at times he was in opposition to General Smuts, Sir R. Borden or Mr. Meighen. New Zealand had, practically, no Nationalism of either type; it was thoroughly British—with the exception of a few Socialist extremists—and ready for the closest relations with the United Kingdom and the Empire.

Like Mr. Hughes, its Prime Minister was in favour of an Imperial Council; their ideal for the Dominions seemed to be a circle of nations in carefully regulated partnership with Great Britain. At Victoria, B.C., on May 6 Mr. Massey expressed his views to the *Colonist* as follows: "There must eventually be a re-organization in Imperial affairs and an Imperial Executive named to deal with Empire policies. The members of this body should be the Premiers of Britain, and the Dominions, and representatives of India. The Executive would meet at least every two years." He maintained that no Dominion was entitled to interfere with another Dominion's affairs, nor the Dominions with the senior partner's

*NOTE.—Toronto *Globe* despatch Dec. 24, 1921.

affairs. He would have the Imperial Executive members directly responsible to the respective Parliaments. He stated that the Dominions should be prepared to make much larger contributions to the Empire Naval fund, but declined to discuss details.

The Labour party in New Zealand was not politically powerful; in Australia it was a very considerable factor and an extreme section of it was essentially anti-Empire in policy. Queensland and New South Wales at the close of 1921 were under Labour rule; the State Labour parties were opposed to immigration and to any arrangement between Britain and the Commonwealth for its promotion; they favoured high wages and shorter hours of labour; they supported abolition of State Governorships and the Legislature in Victoria rejected such a proposal while that of Tasmania approved. At the Victorian Labour Conference on Mch 27. an attempt was made to incorporate a Republican plank in the Labour platform and give it priority over all others; after a stormy discussion the motion was defeated. On May 6 a great Loyal demonstration was held in Sydney to protest against local utterances of a disloyal character —chiefly by Socialists and extremists of various kinds.

An ensuing Labour Manifesto denounced Imperialists and capitalists and stood for "complete Australian self-government as a British community." On June 26 at Melbourne the All-Australian Labour Congress appointed a Council of Action of 13 to take supreme control and management. The programme of policy included a Resolution, almost unanimously approved, in favour of making the Socialization of industry, production, distribution and exchange the objective of the Labour Party. The ensuing Inter-State Labour Congress at Melbourne on Oct. 16 approved Resolutions in favour of making the Commonwealth the supreme governing authority of Australia with unlimited powers, of refusal to participate in any wars outside the Commonwealth, of opposition to all forms of assisted immigration, of the vesting of final jurisdiction in all legal cases in the High Court, of the prohibition of Imperial honours to any Australian citizen.

Nationalism in South Africa—The Policy of Hertzog. The agitation led by General Hertzog in the Union of South Africa was distinctly a republican one. The Hon. N. W. Rowell, speaking in Toronto on Jan. 11, after his return from that country, described the situation with accuracy: "The South African and Unionist parties united under General Smuts on the basic ground of co-operation between European races to build up the country within the British Empire. Next month the people of South Africa must decide between the parties of Smuts and Hertzog, of independence of the British Empire and of being part of the Empire. The Nationalists have gained strength since the adoption of the policy to break away from the Empire, as it is an appeal to the animosities of old-time Boers." During this vital Election contest the first Manifesto of the Nationalist leaders tried indirectly to withdraw the Secession issue as a result of the powerful opposition which developed but without any real success in the constituencies—where Nation-

alist supporters insisted upon distinct declarations. General Hertzog led the Nationalists, Teilman Roos was their leader in the Transvaal, *De Berger* of Cape Town was one of their chief organs.

The Labour party was split by the question and the great majority supported the Government. The latter faced the contest on General Smuts' declaration of Dec. 3rd, 1920, at Pretoria: "When the Nationalists speak of Independence, and of seccession from the Empire as necessary to secure that independence, they are dominated by pre-war conceptions. If by independence they mean an indepenence in friendly association with the British Empire, then I say that such an independence we can have in fullest measure without secession from the Empire. That is the great change in the status of the Dominions to which I have often referred in my speeches." Hence his claim that the pre-war Empire had "ceased to exist as a result of the War". This was followed by a second Nationalist Manifesto which, in many distinct clauses, defined the Party's position and the Hertzog policy. The important sections were as follows:

1. Every nation has, through providence of the Almighty, an inborn and inalienable right to develop itself and, through the necessary measures of civilization obtain its sovereign independenee, and thus become of age.

2. The only and the highest freedom for a nation which is of age is its own freedom—that is to say, the right to fix its own form of government and, if need be, to modify or alter it.

3. A nation therefore does not really become of age unless it enjoys sovereign independence separated from any other nation.

4. The will and desire of the Dominion of South Africa must be expressed freely and without hindrance in a recognized constitutional political manner—*i.e.*, by the enfranchised citizens of the Union. Common sense and statesmanship indicate that the question of separation (secession) must not be hurried or forced, but that, when the proper time arrives, this question shall be specially referred to the people.

5. Therefore, as we are on equal footing with the United Kingdom, it follows that we are fit to obtain and enjoy sovereign independence. It is absurd to state in one and the same breath that we enjoy equality with England, but that we are unfit and unqualified for sovereign independence.

6. Pending the realization of our national ideal—namely, sovereign independence for South Africa, separated from the United Kingdom and the British Empire—we must take steps to gain equality with England in every practical manner and in reality.

7. Therefore we must be careful not to do anything by means of negotiations with England, or in connection with Imperial or any other Conferences, or in whatever other manner, which in any way will bind or retard our free sovereign national desire.

The result of the elections showed the South African party and Unionists to have advanced their holdings from 65 to 78 seats, the Nationalists to have lost one seat—45 to 44, Labour to have decreased from 21 to 9; there was one Independent as against 3 in the preceding House and two seats were tied; the Government and its policy of local liberty and Empire unity had a clear majority of 22 seats over all parties. One result of the contest on Feb. 8 was to make the Nationalists a purely racial party with the slogan of "South Africa for the Dutch". In the Senate the results, apart from the 8 nominative members, were as follows: South African Party (Government) 17, Nationalists 13, Labour 2.

General Smuts was thus able to go to the Imperial Conference and his policy there was, in the main, that of Mr. Meighen representing Canada; he was an enthusiastic supporter, as he had been one of the originators, of the League of Nations. During the year the Labour party won two bye-elections and, in the autumn Mr. Boydell, its leader, and General Hertzog, appeared on the same platform. The official Labour tendencies at this time were along lines of violent radicalism with Russian Jews said to be conspicuous and Bolshevist and I.W.W. adherents numerous. The personal success of Prince Arthur of Connaught as Governor-General and the popularity of F. M. Lord Haig in his visit to the Imperial Veterans Congress, were local incidents of Empire import during the year.

Nationalism in India—The Policy of Gandhi. Through the visit of H.R.H. the Duke of Connaught to India early in 1921 Canada came into indirect touch with the two forms of Nationalism under discussion in that great country of 320,000,000 of people—the development of ordered liberty under British control, through the Montagu-Chelmsford policy and legislation of 1920, which the Duke was to inaugurate; and the policy of anti-British action and separatist effort and advocacy which were concentrated under the name and varied ideals of M. K. Gandhi. The arrival of the Duke at Madras on Jan. 10 was the signal for a cordial welcome by leaders and natives alike and this attitude was maintained in most of the centres visited and through all the great functions which followed. The Duke's previous popularity as Governor-General of Canada added interest to the rather vague outlook of Canada upon Indian conditions. The keynote of his speeches was given at Madras: "You stand to-day at the threshold of a new era. New, grave problems confront you. The time has come when the responsibility which rests on every individual citizen is far greater than ever before. From the issues which are now being hammered out, none can afford to stand aloof. x x x The people of Great Britain take a deep and rightful pride in the great work which has been accomplished in the past and is still to-day being accomplished by the British services in India; they take an equal pride in the position which India is so rapidly attaining in the eyes of the world to-day through Indian enterprises, brains, self-help, and patriotism." At Calcutta the Bengal Legislative Council was inaugurated on Feb. 1st with, said the Duke, three problems especially confronting the Ministers and Council: (1) The meeting of the popular demand for education; (2) the creation of industrial opportunities and the industrial spirit, so as to relieve the pressure on the land; and (3) the heightening of the standard of health and vitality. In the Imperial capital at Delhi, on Feb. 9, the Duke of Connaught, as the King-Emperor's personal representative and as the spokesman, also, of the British Empire, inaugurated the new era of self-government, a new system of administration for 320,000,000 of people.

The Chamber of Princes which was first opened by the Duke, was to be directly concerned with the rights and welfare of one-fifth of the population of British India proper; the attendance included

80 rulers of 50,000,000 souls. The Chamber was a consultative and not executive body; its functions were to make recommendations relating to the maintenance of treaties and of the rights and privileges of the Princes and their States; to discuss and make representations upon matters of Imperial or common concern and on subjects referred to the Chamber by the Viceroy; to appoint Committees of experts in technical or other intricate questions. The new Parliament of India was then opened including the Council of State or Upper House and the Imperial Legislative Assembly which, together, replaced the old Legislative Council and were largely composed of members directly elected by distinct constituencies. Following the presentation of a Message from the King-Emperor and the delivery of an address by the Viceroy—Lord Chelmsford—was the inaugural speech of the Duke of Connaught. Every word was carefully chosen, weighty, forcible, instinct with statecraft and political wisdom. Only one quotation can be given:

> In the annals of the world there is not, so far as I know, an exact parallel for the constitutional change which this function initiates; there is certainly no parallel for the method of that change. Political freedom has often been won by revolution, by tumult, by civil war, as the price of peace and public safety. How rarely has it been the free gift of one people to another, in response to a growing wish for greater liberty, and to growing evidence of fitness for its enjoyment. Such, however, is the position of India to-day.

It was a wonderful function, such as only India amongst all the countries of the world could produce—a panorama of brilliance and magnificence. Side by side with the silken splendours and blaze of priceless gems in the Chamber of Princes, was the plain, dignified picture of the Parliamentary ceremonies which might have been a duplicate, in many respects, of the yearly opening of the British Parliament. The Duke was at Bombay on Feb. 23 and there opened another Legislative Council—equivalent, in many respects, to Provincial Legislatures in the Dominions; from there he embarked for England on the 28th.

The other form of Nationalism in India was based upon the ignorance and credulity of a teeming mass of millions of whom all but six per cent. were not only illiterate but with absolutely no conception of even the meaning of self-government, popular rule, civilization or Christianity; without ability to read or write in any language and with infinitely varied religions which, in immense areas, involved only the crudest worship of idols; with 150 different languages spoken, with diverse religious rites, utterly discordant prejudices, intense hatreds, iron-clad castes, conflicting customs. Gandhi, himself, was originally rich and clever, of cultivated manner and address, educated and a College graduate, a lawyer by profession. He became a religious mystic, took vows of poverty and lived a life of protest to all things British—first in South Africa and then in India; founded the All-India Swaraj Sabha (Self-Government Society) and obtained control of the hitherto moderate Indian National Congress at its 1920 meeting; organized his non-co-operative movement under the alleged inspiration of Tolstoi idealisms and boycotted, so far as he and his followers could, British employ-

ment, British schools and colleges, British titles, British merchandise and manufactures. Intense hostility to Great Britain, entire separation from the Empire, was his outlook.

Gandhi succeeded in doing what no other Indian agitator had ever done—uniting a section of the Mohammedans (numbering 67,000,000) with a few of the Hindus who totalled 218,000,000. The Mohammedan leaders were Mohammed Ali and his brother who added words of violence to doctrines of passive non-cooperation, suffered imprisonment and made humble apologies to the Government; the appeal to Mohammedans was an unscrupulous description of Britain's war with the Turks as a war upon the Holy Cities of the Prophet and the faith of many million Indian people. The demands of the Moslem League of India and of the Moslem members of the Council of State and Legislative Assembly at Delhi, were practically the re-instatement of the Sultan as ruler and of Turkey in Europe and Asia, with "Turkish independence and autonomy a reality"; the return to Turkish power of Thrace, Adrianople, Smyrna, etc.; the return of Moslem Holy places to the control of the Sultan who, as Caliph, was spiritual head of the Moslem world but whose right to that position depended upon his being Lord of Arabia and Protector of the Holy Cities of Mecca and Medina. Both of these conditions, under British diplomacy, were now fulfilled by King Feisal of Arabia! At the same time, it was British diplomacy at Versailles which had prevented the Turks from being driven out of Constantinople and this was instigated by a sense of responsibility to the immense Moslem population of India. Hence the agitators and the element which Gandhi was able to weave into his subtle web of propaganda and unrest—aided by the basis of German plots during the War and Bolshevist propaganda since then.

To Gandhi and his Hindu followers *Swaraj*, or Home Rule, really meant Hindu government of India; to the Moslem followers (temporarily) of Gandhi it meant Moslem control of India; to the Princes and rulers of either race or religion it meant rule by themselves; to the great masses it meant nothing at all. In his writings and speeches Gandhi at this time was wholly illogical. According to quotations in the *Servant of India* (Jan. 20) he wrote in his personal organ called *Young India* that: "I do really believe that anarchy will be preferable to a continuance of the orderly humiliation and emasculation of a whole nation"—that is, to British government. His belief "in the ultimate goodness of human nature" made him reject any fear that, if the British withdrew, other nations would pounce upon India: "If they did, India will respond either by using the same matchless weapon of non-cooperation or will, when the paralyzing arm of Britain is removed, produce a nationalist Akbar who will make effective use of brute force." His platform was a very simple one on the surface and its chief conditions were as follows:

1. Cultivating the spirit of non-violence.
2. Setting up National Congress organizations in every village.

3. Introducing the spinning wheel in every home and manufacturing all the cloth required for our wants, through the village weaver.

4. Collecting as much money as possible.

5. Promoting Hindu-Moslem unity.

6. Ridding Hinduism of the curse of untouchability and otherwise purifying ourselves by avoiding intoxicating drinks and drugs.

There followed in 1921 the Moplah rebellion and cruelties and massacres by Moslem fanatics; the unsuccessful boycott against the Schools and the new Councils with the failure of attempted non-cooperation in the ensuing elections; the Hartal or attempted strike against the Prince of Wales and its collapse, except in two or three instances; the sending of a Moslem deputation at the instigation of Gandhi to Europe to obtain better terms for Turkey; the formation in New York and elsewhere in the United States of the Friends of Freedom for India—an organization to help the "independence" of that Empire from Great Britain; the Russian Soviet attempt to encourage an Afghan invasion of India and a final treaty of peace between the Amir and England; the establishment of the cotton and tea boycotts and native strikes against consumption or production with restlessness and violence at many points—commencing in Malabar and culminating at Bombay and in the mill area of Madras.

In the main non-cooperation failed and its leader feared to go to the logical end of civil disobedience of law though, on Nov. 6, the All-India National Congress Committee at Delhi accepted Mr. Gandhi's Resolution favouring civil disobedience—including non-payment of taxes. As H. E. Lord Reading pointed out at Simla on Sept. 2nd the results of the agitation were evil and in such cases as the Moplahs disastrous: "Passions are easily excited to unreasoning fury. Although I freely acknowledge that the leader of the movement to paralyze authority persistently preaches the doctrine of no-violence yet, again and again, it has been shown that his doctrine is completely forgotten and his exhortations absolutely disregarded when passions are excited, as must inevitably be the consequence amongst emotional people. To us, who are responsible for the peace and good government of this great Empire, it must be clear that defiance of the Government and constituted authority can result only in widespread disorders, in political chaos, in anarchy, and in ruin."

Interjected, on Nov. 19, into the atmosphere of turbulence and the bloodshed of Bombay riots was a Manifesto from the leader. Non-cooperators, he said, could not escape their liability: "Nor can I shirk my own personal responsibility. I am more instrumental than any other in bringing into being the spirit of revolt. I find myself not fully capable of controlling and disciplining that spirit. I must do penance for it!" After this Mr. Gandhi stated that he, personally, had come to the conclusion that civil disobedience could not be started for the present, as he was unable to conduct the campaign unless a completely non-violent spirit were generated amongst the people. Following these events the Ali brothers were arrested and

sentenced to 2 years' imprisonment for attempting to promote sedition amongst the troops; in December Government action was taken in Calcutta and at other centres against non-cooperators and many arrests made including C. R. Das, President-elect of the All-India Congress; everywhere the ignorant villagers of interior Provinces were inclined to endow Gandhi with supernatural powers and to give him the popular designation of Mahatma or Saint.

The Indian National Congress met at Ahmedabad on Dec. 28-29. For many years representative of moderate and sane efforts for educating the people up to self-government it had in 1920 passed wholly into the hands of Gandhi and his followers. There were 12,000 in attendance, including thousands of youths, and Gandhi was Dictator; under his influence the Congress stood for non-cooperation with no violence and not for civil disobedience. A motion providing that complete independence from the British Empire should be attained by "possible and proper means" instead of by "legitimate and peaceful means" was frustrated by Gandhi himself, who warned the Congress against alienating the sympathies of the moderates. On the other hand at the All-Indian Moslem League held at the same place on Dec. 31 and with Gandhi present, Hasral Mohani, the President, urged the immediate organization of an Indian republic to be called the United States of India; to be established by force and through guerilla warfare if necessary; to provide for two parallel governments—one Hindu and one Moslem in character. At Allahabad on Dec. 29 the All-India Liberal Federation met with Govind Araghava Iyer in the chair; in his address he declared it was the duty of the Liberals to offer their most loyal and cordial welcome to the Prince of Wales, urged them to strive for full Dominion status within the British Empire and pointed out that co-operation always had been the Liberal motto.

Such were a few of the varied currents running through the kaleidoscopic movements of Indian life in 1921. They were largely surface in their manifestations and powers; they represented opinions controlled and voiced by a few men educated in Indian schools and colleges; they were not strong except where based upon the root issue of suspicion, or hatred, or fear of things Western—guided by men trained in Western culture and ideals and nominally seeking Western institutions. In the States of ruling Princes, where power was wielded in the Oriental manner, there was no trouble, no seditious press, no riots or threatened rebellion; only where the British were inculcating principles of liberty, spreading education, developing the material well-being of the people and refusing to exercise despotic power or use force until absolutely compelled, did this extraordinary development of a new Eastern Nationalism arise. It proved, absolutely, the great responsibility of those Englishmen who were attempting to graft Western ideas and institutions upon the ancient tree of Indian Oriental life.

Nationalism in Egypt—The Policy of Zaghlul. How far Egypt really was in the British Empire during 1921 is a technical question; that she was closely associated with it was obvious and

that she remained and would remain so became clear despite the developments of this and the following year. There had been a British Protectorate above and around the country and a Sultan with nominal power and complete constitutional rights within the nation; there was a British High Commissioner looking after the people's real interests and guarding British trading and individual rights and interests in the Suez Canal region and the Soudan; under pending and afterwards completed arrangements—following out Lord Milner's Report—there was to be a King in place of a Sultan and the High Commissioner became a sort of British Ambassador; a so-called independent nation was established in place of a Protectorate.

In reality the situation was about the same with the names changed. As the statement issued by Lord Curzon, British Foreign Secretary, put it early in 1921, so it developed in the final arrangements: "The Government must have full and effective guarantees (1) that their Imperial communications, to which Egypt is essential, are assured; (2) that Great Britain retain both the right and power to afford that protection to the foreign communities in Egypt which the Governments of these peoples in the existing conditions look to her to supply; and (3) that Egypt is safeguarded against all foreign interference or aggression, direct or indirect." But during this year there were many stormy scenes and incidents before a settlement was effected.

Since 1918, and the Armistice, Zaghlul Pasha, a son of the Fellaheen, had led an agitation for complete independence of the Protectorate assumed in 1914. The arguments for maintaining the present situation were (1) the better administration of Egyptian affairs; (2) the more productive development of Egyptian interests: (3) the fact of Egypt being a key to India and a great strategic position. Lloyd George and his Government claimed that British interests could be safeguarded without an actual Protectorate. Writing to the London *Times* on Mch. 14 Prince Ibrahim Hilmy, a a brother of the Sultan, urged Great Britain not to abandon its position in Egypt and, in the interest of the 14,000,000 people of that country—of whom 92 per cent. were absolutely illiterate and ignorant— not to abandon control. In April, 1921 Zaghlul arrived home from Europe and had an enthusiastic popular reception at Alexandria and Cairo—municipal arches and decorations and tremendous demonstrations; he placed himself in keen hostility to Adly Pasha Yeghen, the Premier, an aristocrat and relation of the Sultan, and violent riots followed which were chiefly directed against British control or guidance and affected the personal safety of many of the 24,000 British people in the country.

During four months from July 11, when they arrived in London, a Delegation led by Adly Pasha was negotiating with Lord Curzon but in November the negotiations broke down—chiefly because of the proposed maintenance of British troops in the interior of Egypt and the appointment of British Financial and Judicial Commissioners. Disturbances followed, Nationalist demonstrations became serious and Zaghlul was arrested and deported toward the end

of December*. His Nationalist policy was hostile to any compromise or friendly arrangement with Britain; he had instigated in the country, or out of it several attempted revolts and serious riots in Egypt within recent years; toward the close of 1921 he acquired some influence over Adly Pasha and caused him to reject proposals and plans previously presented to the British Government and accepted by them. Zaghlul's demands, which could not be acceded to, were full Egyptian control of the Soudan which Egypt could neither administer nor hold, and exclusion of all British troops from the country and the Suez Canal. In the end extremist Nationalism was defeated after it had caused much trouble and confusion.

Empire Interests and Incidents Affecting Canada in 1921.

Apart from its purely British relationship and the many Conferences of the year which brought its leaders into friendly relations with their fellows elsewhere in the Empire—Forestry, Universities, Teachers, Veterans, Agriculture, etc.—Canada touched Empire interests and nations at many points. Empire Day continued to grow in favour in the United Kingdom—especially in the schools—and Sir George Perley addressed a great gathering of children in the Guildhall, London, while the Duke of Connaught inspected Boy Scouts and the London Stock Exchange opened business with the National Anthem; in Canada the day was marked by many patriotic celebrations in the schools.

Canada was interested in the agreement as to German Reparations arrived at in the Spa Conference of July 16, and signed by the Powers concerned, under which the British Empire was to get 22 per cent., France 52 per cent., Italy 10 per cent., Belgium 8 per cent., Japan and Portugal three-quarters of one per cent. with the balance divided amongst the lesser Allies. Another interesting fact was the annual purchase by Agents for the Crown Colonies in London of stores and materials valued at £500,000,000. Canadian firms were eligible to compete for contracts, subject to being first admitted to the Crown Agents' list of contractors, but the time allowed for submission of tenders was usually so short that only firms responsibly represented in London were in a position to bid for orders. Australian exporters secured an important concession in the case of the Straits Settlement, which permitted them to learn the requirements in Australia simultaneously with the publication of advertisements inviting tenders in London and something of this kind was suggested for Canada.

During March it was officially stated in the Commons that in 1920 the exports of purely British manufactures to the United States had totalled £77,131,000 and to the British Dominions—Canada Australia, New Zealand, South Africa and British India—£362,-362,000; those to Canada alone were £42,782,000 or more than half

NOTE.—*The settlement finally arrived at early in 1922 is briefly indicated at the beginning of this Section.

the total export to 100,000,000 Americans. Early in January W. C. Noxon had closed up the Canadian Trade Commission of war-time effort in London and, later in the year, he returned as Agent-General for Ontario; during this winter Percy Hutchinson, the British playwright and actor, carried a British Company through Canada and had a most cordial welcome, in an extended effort of 8 months' duration, to add British dramatic art to the wide national recognition of the American stage which was and is inevitable in Canada. He told the *Times* on his return in August that it was now possible for an English manager to arrange a tour through Canada, without having to rely on theatres in the United States at all. In Canada, alone, there was a circuit of 80 theatres, all of which were anxious to welcome good British productions.

On and after June 18 Canadian postal rates were altered in accordance with instructions issued by the Post Office Department, with letter postage to the United Kingdom raised to four cents for the first ounce and on post-cards to three cents—the preference in postage being thus given to the United States. About the same time a British proposal to increase the rates of postage on printed matter sent overseas aroused the firmest opposition from British traders, from the British newspaper press, and also from all who were concerned in strengthening the link between Britain and such overseas countries as Canada. Finally, on June 9, Mr. Kellaway, Postmaster General, announced the decision to withdraw this policy; there would be no increases on newspaper and magazine rates to Canada. In August there was a vigorous propaganda in Canada, through German-published booklets written by F. Hausen of Hamburg, vilifying and denouncing Great Britain and the Empire. C. G. MacNeil, Secretary of the G.W.V.A., Dominion Command, on Aug. 23 announced that his organization would take up the matter and, meanwhile, he protested to the Post Office Department against the circulation of such literature.

On Mch. 8 a meeting was held in London, England, to discuss the formation of a Canadian Chamber of Commerce; Rt. Hon. F. G. Kellaway, M.P., then Minister of Overseas Trade and Commerce, was present, with a large number of business men and bankers interested in Canadian trade. F. C. Wade, K.C., Agent-General for British Columbia, presided: Mr. Kellaway spoke, as did Sir James Dunn, W. Grant Morden, M.P., Charles Cambie, Lieut.-Col. P. Pelleter, and other Canadians in London; a Committee was appointed to organize such a Chamber. On May 9 a further step was taken and an Executive Council appointed composed of representative Canadians in London finance and trade. Sir George Perley, K.C.M.G., was elected Hon. President, and Sir Edgar Browning, High Commissioner for Newfoundland, Hon. Vice-President; Sir G. McLaren Brown, K.B.E., was President, Lieut.-Col. W. Grant Morden, M.P., and H. Robinson, Vice-Presidents; R. B. Stewart Hon. Treasurer and Acting Secretary. The objects were described in the press (May 19) by Mr. Stewart as the bringing of British consumers in touch with the Canadian producers—to improve and

strengthen trade relations between the United Kingdom and the Dominion:

(1) By a reliable Bureau of Information and a Bureau of Publicity;

(2) By establishing a Sample Room for Canadian products in London and collecting Statistical information for Canadian trade interests in Britain;

(3) By keeping in close touch with the Imperial Department of Overseas Trade, the Federation of British Industries, the British Manufacturers' Association, the Imperial Resources Committee and other British organizations having in view the development of Empire trade;

(4) By watching legislation in the United Kingdom and elsewhere which might affect the development of Canadian trade;

(5) By promoting the sale of approved standard products and preventing trade imposition, and protecting the reputation of Canadian trade;

(6) By constituting a Committee to receive all complaints with regard to differences arising between Canadian trade interests and those on this side of the Atlantic, through mistake, misunderstanding, or otherwise;

(7) By conducting, through official bulletins, an educational programme so as to bring the attention of the Canadian export trade to the importance of the London market as a centre of all European demands;

(8) By maintaining a schedule of trade congresses as well as exhibitions and fairs where Canadian trade interests could be discussed and Canadian trade products could be exhibited to advantage.

An Empire Forestry Association was formed on Nov. 16 at the Guildhall with H.M. the King as Patron and the Prince of Wales as the first President. This action was the direct result of the deliberations of the Imperial Forestry Conference of July, 1920, which drew attention to the fact that the absence of a continuous and constructive forest policy in many parts of the Empire was permitting the gradual destruction of great sylvan resources without adequate provision for renewal. The Canadian delegates at this gathering had been H. H. Finlayson, Robson Black, Clyde Leavitt, W. E. Kilby and Ellwood Wilson of Ottawa, M. A. Grainger of Victoria and M. Bèdard, Quebec. The new Association was formed to serve as a link between associations and individuals engaged in the work of Forestry in all parts of the Empire, and to arouse public interest in this subject. The Governing Council represented the United Kingdom, the Dominions, India, the Crown Colonies, and Protectorates.

Another organization formed at this time was the Canadian Club of Great Britain which was duly constituted on Aug. 30 with 66 members who shortly after grew to 100; the meeting was largely composed of Canadian officers in the late War and C. Lionel Han-

ington was appointed President, G. M. Moon, Vice-President; the Committee included A. Beverley Baxter, the writer, A. Lorne Campbell, C.M.G., C. G. D. Roberts, LL.D., poet, historian and novelist, and E. R. Wayland, C.M.G.; G. H. Ward was Hon. Secretary and W. H. Rice, Hon. Treasurer. The qualifications for membership were (1) Canadian birth; (2) 12 months' residence in Canada; or (3) service in the Canadian Forces. The Services Club, Stratford Place, was to be the headquarters of the Club. Its first function was a dinner given on Sept. 14 by F. C. Wade in honour of Hon. F. D. Pattullo of British Columbia and W. C. Noxon of Ontario.

A matter of interest during the year was the organization of the Provincial Cinematograph Company, said to be controlled by Lord Beaverbrook and in which the paid-up capital was $11,000,000; Lord Ashfield, Chairman of Underground Railways, Sir H. Cunliffe-Owen and Andrew Holt (son of Sir Herbert Holt of Montreal) joined the Board in May and it was hoped that close relations would be established with Canadian theatres; about this time the Manitoba Censor Board was responsible for a statement that out of 6,585 censored reels in that Province only 65 were British. In November the British Admiralty, which recently had promised that in awarding of future contracts Canadian timber would be given a preference, now undertook to pursue the same course with Canadian salmon.

British visitors to Canada during 1921 were increasingly numerous. Sir John Martin Harvey, the famous English actor, made a tour of Canada early in the year, met with a very appreciative reception and addressed Canadian Clubs at Toronto, Hamilton and other points. Sir Campbell Stuart, K.B.E., the newly appointed Managing Director of the *The Times*, and of an old Canadian family in Montreal, was in Toronto, Kingston, etc. during May. The Rt. Hon. J. W. Lowther, D.C.L., LL.D., for 16 years Speaker of the British House of Commons and who, upon his return from this trip was created Viscount Ullswater, came to Canada in May to present a Speakers' Chair to the Commons of Canada from the British Chamber. The presentation was made through the United Kingdom branch of the Empire Parliamentary Association with Mr. Lowther as spokesman and the event took place at Ottawa on May 20 with a crowded House and galleries; the Senate members were in attend ance and the Governor-General (the Duke of Devonshire) sat on the right of the Speaker—Hon. Edgar N. Rhodes.

Mr. Lowther stated that the Chair in question was an exact replica of the Speakers' Chair in the House of Commons, London, which was erected in that building in 1844: "Above the Chair, in the canopy, you will observe, when the flags are removed, the Royal Coat of Arms. This is carved out of a piece of oak which until recently formed part of the roof of Westminster Hall, which was erected in the time of Richard II, in the year 1397." There was, he believed, something specially significant in this function and the gift itself: "It acknowledges, I think, the great principle which has been accepted by Great Britain and by all the Dominions within

the British Empire, that Government of the people, by the people, and for the people, is best carried out through Parliamentary institutions." After a few words in French Mr. Meighen, as Prime Minister, Sir Robert Borden, Mr. Mackenzie King, Hon. T. A. Crerar and Hon. R. Lemieux also spoke, while H. E. the Duke of Devonshire added a brief tribute to Mr. Lowther. The Canadian branch of the Empire Parliamentary Association gave a dinner in Mr. Lowther's honour (May 21) with speeches by various political leaders. He also addressed the Canadian Club, Ottawa, on the 25th and that of Victoria, B.C., on June 6, the Empire Club, Toronto, on June 14.

Sir Arnold T. Wilson, British Civil Commissioner in Mesopotamia and now Managing-Director of the Anglo-Persian Oil Co., was in Montreal on June 4; Lord Northcliffe, accompanied by H. Wickham Steed, Editor of the London *Times*, visited the same City on Aug. 3rd and left in the afternoon for Vancouver and the Far East; B. H. Morgan, Chairman of the Empire Producers' Association of London was interviewed at Montreal on Aug. 9 and described his organization as "an advisory body composed of representatives of every kind of industrial product, from every country within the British Empire, and its policy as the encouragement of wider trading by finding markets and facilitating contracts." The Rt. Hon. Sir John Simon, K.C.V.O., K.C., ex-M.P., a distinguished Liberal leader and one-time Attorney-General, was in Winnipeg on Aug. 17 when he addressed the Canadian Club; he was at Vancouver on Aug. 25 and on his return East addressed the annual Convention of the Canadian Bar Association at Ottawa (Sept. 8); he spoke to the Law Society of Upper Canada, Toronto, on the 9th as to "Our common inheritance—the Common Law."

Adminstration of Palestine: Canada and the Jews. Canadians, and especially the considerable Jewish population of Canada, took great interest in the British government of Palestine during the year. Sir Herbert Samuels, the High Commissioner and British ruler of this historic country, had no easy task in 1921. The Arab-Moslem population numbered 500,000, the Jews about 65,000 and the Christians 65,000, while both Moslems and Christians were bitterly hostile to the proposed theory of free institutions and to any idea of making Palestine a National home for the Jews. Difficulties were enhanced by the objection of Roman Catholics to the Jews being given any supremacy or control and by the Pope's allocution to the Consistory of June 14 when he urged an examination and revision of the British Mandate in Palestine. Meanwhile, Winston Churchill, Secretary for the Colonies, had been visiting this country and Mesopotamia. Speaking at Jerusalem on Mch. 31 to a Deputation of Moslem, Christian and Arab chiefs, who urged their objection to British policy, Mr. Churchill was emphatic:

> I consider your address partly partisan and incorrect. You ask me to repudiate the Balfour declaration and stop immigration. This is not in my power and is not my wish x x x Moreover, it is manifestly right that the scattered Jews should have a National centre and a National home in which they may be

re-united, and where else but in Palestine, with which the Jews for 3,000 years have been intimately and profoundly associated? We think it is good for the world, good for the Jews, and good for the British Empire, and it is also good for the Arabs dwelling in Palestine, and we intend it to be so. They shall not be supplanted nor suffer, but they shall share in the benefits and the progress of Zionism. I draw your attention to the second part of the Balfour declaration emphasizing the sacredness of your civil and religious rights. I am sorry you regard it as valueless. It is vital to you, and you should hold and claim it firmly. If one promise stands, so does the other. We shall faithfully fulfil both. x x x Great Britain is the greatest Moslem State in the world, and is well disposed to the Arabs and cherishes their friendship.

On June 14 Mr. Churchill told the Commons at home that the enthusiastic declarations of the Zionist organizations through the world, with their ardent hope and aim of making Palestine a predominantly Jewish country, peopled by Jews from every region, had alarmed the Arabs—who particularly feared the Jews from Central Europe. Under the Mandate, however, only 7,000 Jews had so far been brought in and future immigration would be carefully controlled. He quoted Britain's promise made in 1917, through Mr. Balfour, to aid in establishing a Jewish National home in Palestine and also to re-constitute the Arab nation, its influence and authority. Mesopotamia was being organized as the Arab State of Irak; as to Palestine "we cannot possibly agree to allow the Jewish colonies to be wrecked or future immigration to be stopped without definitely accepting the position that the word of Britain no longer counts through the East or the Middle East." Later, a Report for the year ending June 30, 1921, upon the Civil Administration of Palestine was published by the Government. The following statements and review of conditions were given:

The administration of the country, entrusted to the High Commissioner, is conducted through a Staff, the heads of which, both in the central Departments and in the Districts, are British. A new framework of government has had to be constructed; it has been found necessary in certain cases to introduce new laws and regulations; experienced administrators, familiar with Western methods and impartial in local disputes, have been indispensable. But, as the preliminary work is completed, and as Palestinians possessing the necessary qualities can be chosen and trained to administrative work, it is intended to reduce the number of British and to increase the number of Palestinian officials. This process has, indeed, already begun.

In October, 1920, an Advisory Council was constituted. It consists of 10 unofficial members nominated by the High Commissioner, of whom four are Moslems, three Christians, and three Jews, and of 10 members of the Administration. x x x Steps are now being taken to frame a constitution for the country, which will include an elective element, and the leaders of the various sections of the population are being consulted as to its terms.

Meanwhile, Canadian Jews were stirred up and deeply interested in these developments; the Zionists, canvassing among Jews alone, but accepting subscriptions from any other source, sought to raise $500,000, to be used in the initial expenses of development in the Holy Land; elsewhere amongst the 14,000,000 Jews whom Sir Herbert Samuels estimated as being scattered amongst the nations of the world, similar movements were in progress though no large sums were as yet provided. British protection of the Holy Places of Christianity was, meantime, assured—as, in these re-

markable developments, was British protection of the Holy Places of the Moslem. During the year Dr. Charn Weizmann, eminent Scientist and President of the World's Zionist Organization, made a tour of Canada in the interest of the Fund mentioned above.

He was welcomed at Montreal on May 1st and discussed the political and physical difficulties of re-building a whole country in the manner needed to make Palestine a Jewish homestead. He claimed that in agriculture it was only necessary for people to get to work, and soon again there would be a land "flowing with milk and honey;" he looked forward also to the industrial development of the country, but considered the question of Jewish culture and the establishment of the University of Jerusalem to be of greater importance. At Ottawa, the Governor-General and Mr. Premier Meighen attended a luncheon given to Dr. Weizmann with A. J. Freiman, President of the Zionist Federation of Canada, in the chair. The visitor stated that immigrants were coming in from Soviet Russia, from Poland, from Roumania, from the East and from the Balkans; young men and women, well educated, many of them college graduates, were entering Palestine and were set to work building roads, draining marshes, and reconstructing the country. In Toronto (May 6) he declared that British and Jewish interests in Palestine were now identical and anti-Jewish uprisings were plainly an attempted blow at Britain.

Here, as in Montreal, he inaugurated the campaign for a $1,000,000 Fund; at the close of a Jewish women's luncheon to Mrs. Weizmann, jewels were poured out freely upon the table until it was piled with gold bracelets, rings set in diamonds, rubies, pearls and sapphires, gold watches and gold coins and pearl necklaces, and brooches. At Hamilton, as in Toronto, considerable amounts were pledged and at a dinner in Montreal given (May 9) by Mark Workman a total of $100,000 was collected—started by $10,000 each from Mr. Workman and Mr. Freiman of Ottawa. Later Dr. Weizmann was in the West and at Regina on June 16 that City and the Province pledged $25,000. During the year a total of $500,000 was pledged and about half of this paid up. At Karlsbad, Czecho-Slovakia, on Sept. 3rd, following, Dr. Weizmann was received by a Government representative with Sir George Clark, British Minister at Prague, also present, who stated officially that: "The British Government views with favour the establishment of Palestine as a National home for the Jewish people." At this time the British troops kept in Palestine were costing the home taxpayer $12,000,000 a year.

In the summer the Very Rev. Dr. J. H. Hertz, Chief Rabbi of Britain and the British Empire visited Canada after a tour of Australia, New Zealand and South Africa; at Victoria on July 5 he told the Canadian Club that "all forward-looking, sane men throughout the Empire realize that the British commonwealth of nations is the earth's nearest realization of might wedded to mercy, of power coupled with humanity, and of freedom, both national and ethnic." At Calgary he eulogized the Bible, at length, as the "greatest collec-

tion of literature, science, philosophy, criminology, sociology and moral teaching in existence," and as standing unchallenged throughout eternity. At Edmonton (July 12) he dealt with the British loyalty of the Jews and declared the purpose of his tour was "to unify and fortify the spiritual forces of the Jewish community." At Winnipeg (July 24) he delivered a brilliant eulogy of Palestine: "The land of the Book is as peculiar among lands as the Bible among books. It is a country of contrasted heights and depths, of deserts and flower-gardens, of wildernesses and highways of commerce, the hub of the universe, the centre of three continents—Europe, Asia and Africa—the meeting place of the world's roads and communications, the link between the Nile and the Euphrates, between the Hittites in the North and the Sabeans in the South. It has been overrun by the Egyptian, Byzantine, Babylonian, Macedonian, Turkish and Greek empires; now the dream is to reconstruct it as a National home for the Jews." Dr. Hertz was in Toronto on July 30, St. John on Aug. 10 and visited other centres in the East before leaving for home.

Titles in Canada: Grants by Foreign Rulers. An interesting though not widespread discussion developed in this year as the result of a free acceptance of titles and honours from Foreign rulers; at the same time, a portion of the press continued to denounce all suggestions that the Sovereign of the Dominion, himself, should be asked to resume the conferment of British titles under advice of the Canadian Government. It was pointed out that Canadians in England or Australia or India could receive honours and rewards from the King for public services rendered but not Canadians in Canada; that Canadians in Canada could accept honours from the President of France, the Emperor of Japan or the President of the United States, but could not be offered them by their own King or Government; that men who had won military distinction in the War were still receiving military honours but that no Canadian civilian, no matter how great his services, could receive any titular recognition whatever from the Nation or its head. The reply was the argument which had become so familiar in 1919—that democracy should not permit such titles or honours, that public service should be rendered without reward from the State, that such distinctions were incompatible with the spirit of Canadianism and the doctrine of universal equality. Meantime, in 1920 and 1921 the following Foreign honours, amongst many others, were granted Canadians:

Honour	Name	Place	Ruler
Chevalier of the Order of Leopold	J. H. Woods	Calgary	King of the Belgians
Grand Cordon of the Order of Leopold	Rt. Hon. Sir Charles Fitzpatrick	Quebec	King of the Belgians
Commandeur Order of Leopold	Maj.-Gen. Sir F. O. W. Loomis	Montreal	King of the Belgians
Commandeur Order of Leopold	Brig.-Gen. C. J. Armstrong	Montreal	King of the Belgians
Chevalier Legion of Honour	Lieut. J. L. O. R. Girard	Montreal	President of French Republic
Red Cross of Serbia	Mrs. W. E. Sanford	Hamilton	King of the Serbs
Knight Commander of the Order of St. Gregory	Hon. W. F. A. Turgeon	Regina	His Holiness the Pope

Honour	Name	Place	Ruler
Commandeur of the Legion of Honour	General Sir W. G. Gwatkin	Ottawa	President of French Republic
Commandeur of the Legion of Honour	Maj.-Gen. Sir H. E. Burstall	Ottawa	President of French Republic
Knight of the Order of the Crown	Hon. H. S. Béland, M.P.	Ottawa	King of the Belgians
Chevalier Order of Leopold	Godefroi Langlois	Brussels	King of the Belgians
Knight of the Order of Danilo	A. O. Penny	Quebec	King of Montenegro
Knight of the Order of the Sacred Treasure	Maj.-Gen. J. H. Elmsley	Ottawa	Emperor of Japan
Knight of the Order of the Sacred Treasure	Brig.-Gen. H. C. Bickford	Toronto	Emperor of Japan
Knight of the Order of Regina Maria	Noel Marshall	Toronto	King of Roumania

During this period, also, Canadians, like Americans, were creating and using titles of their own. The Illustrious Potentates and other great personages of the Mystic Shriners were well-known in Canada; the Grand Encampment of the I.O.O.F. in Toronto on Sept. 20 conferred the Grand Decoration of Chivalry upon a number of members; the Knights of Malta at Brantford on June 26 conferred the title of Knight of the Red Cross and Sepulchre upon George Giblock, the Grand Chancellor; the Grand Black Chapter of Saskatchewan was presided over by its well-known Grand Master whom the Order had created "Sir" Stewart Adrian and so with other Provincial Chapters. In England the following Canadians who had distinguished themselves in various spheres of British life were honoured by the King in 1921: Baronet—Donald MacMaster, K.C., M.P., a prominent lawyer and politician; Baronet—James Hamnet Dunn, a financier and head of Dunn, Fisher & Co.; K.B.E. and C.B.—Maj.-Gen. Dudley Ridout, Commanding troops in the Straits Settlements.

Newfoundland in 1921: Canadian Relations with the Island Dominion.

The interest of Canada in the historic Island which lies at its front gate has always been considerable; in recent years its pulp and paper manu factures, its great fishing industry, its increasing trade, its large railway interests represented by the well-known Reid-Newfoundland Company of St. John's, its great coal resources and its Paradise for sportsmen, had attracted a growing attention. Its trade of late years had expanded with Imports of $15,193,726 in 1914 (year of June 30) and Exports of $15,134,543 to $26,392,946 of Imports and $30,153,677 of Exports in 1918 and to $40,533,388 and $34,865,438 respective y in 1920. The Pulp and paper industry, chiefly in the hands of Lord Northcliffe's Company at Grand Falls—the Anglo-Newfoundland Development Co.—had grown from a total value of $2,168,164 in 1913-14 to $2,413,601 in 1917-18 and $5,059,936 in 1919-20. Fishery values had fallen, however, although the value of its herring catch was, in 1920, still three times that of 1913-14 and totalled $1,235,864.

Like Canada, Newfoundland shared in the shock of the U.S. Tariff adjustments; its unfavourable trade balance was already $4,000,000 but, on the other hand, its larger volume of trade was with Canada and Britain; in 1920 (calendar year) its Exports totalled

$34,856,000 or a decrease of $2,000,000 and its Imports were $33,-297,000 or an increase of over $3,000,000. This situation enhanced the importance of its Canadian relations. The United States was chiefly concerned with the export of manufactured foodstuffs, items of clothing and personal furnishings, leathers and leather goods, marine equipment and ships chandlery, musical instruments, tools, vehicles and certain building materials to the Island; Canada supplied the largest proportion of Newfoundland's needs in dairy and packing-house products, vegetables, fresh meats, coal, lumber, steel and agricultural implements. The new opportunities for Canada in this market during 1921 were chiefly in condensed milk, groceries, pickled meats, granulated sugar, corn meal, tobacco and cigarettes, cotton fabrics, boots and shoes and India rubber footwear, hats and caps, millinery, paints and varnishes and hardware connected with the fishing trade. There was, also, a considerable demand for motor engines for fishing boats, automobiles, sewing machines, electrical fixtures and specialties, tools and building materials. The Imports in the year of June 30, 1921 were $28,909,727 and the Exports $22,441,261.

Canadian capital and enterprise could do much to develop the admitted resources of the Island; its hardy and thrifty race of workers should prove a useful help in the organization of new industries; its difficulties, in this year, with the American tariff promised to make financial relations with both Britain and Canada closer. Speaking to *Canada*, the London journal, on Jan. 1st, H. D. Reid, President of the Reid-Newfoundland Co., described certain conditions: "A new tendency has arisen in the Fisheries of Newfoundland, namely, freezing fish and smoking fish—not only codfish but salmon, halibut, turbot, capelin, and herring. Besides this, methods of fishing are changing. Instead of line-fishing, the more intensive trawler fishing is being tried out with success. Every year 75 steam trawlers from France go to the Newfoundland banks. Why do not British trawlers go also?" In Newfoundland there existed at this time on Bell Island, the second largest iron mine in the British Empire, and its output had averaged during the past three years no less than 700,000 tons. The Bell Island hematite deposits extended under the sea and the tonnage of ore in this area was estimated at an enormous total; there were other localities which required only the serious consideration of capitalists and mining experts to develop them into extremely valuable producing areas. Manufacturers of pulp and paper from the United States were in 1921 establishing mills in Newfoundland. In the *Canadian Gazette*, London, a litt e later, Mr. Reid declared that:

> Newfoundland is one of the greatest undiscovered and undeveloped countries, though in the midst of civilization, in the world. It lies in a most advantageous position between the United States and Great Britain. It possesses vast potential wealth in forests, water-powers and minerals. It has at Wabana one of the greatest iron mines in the world; there are lying dormant the greatest copper mines in the North American continent—mines that are on the seaboard and are nearer to British smelters than any other sources of supply; all kinds of other minerals are to be

found in the Island—mica, manganese, slate, marble, molybdenum and silver. x x x Newfoundland presents unrivalled facilities for the prosecution of pulp and paper manufacture. There are immense areas covered with spruce and fir, easily accessible, well watered, and near the seaboard. Many water-powers ranging from 1,000 to 40,000 h.p. are awaiting development. The supply of spruce is unending. There is no need to reafforest after cutting, for the forests reproduce themselves every 40 years. I cannot imagine a country with greater attractions for sportsmen than Newfoundland possesses. All the rivers—and there are thousands of them—abound in salmon and trout, and are free. The salmon are very like Scotch salmon. Why should English sportsmen go to Norway to fish when Newfoundland can offer the best of sport?

As the year passed on, considerable unemployment developed and a strike at the Anglo-Newfoundland Pulp mills caused trouble; several new Pulp mills were started and the Fishing season was well up to the average with, in October, market conditions improving; the Newfoundland Fish Products, Ltd., sent over to Europe one million pounds' worth of frozen fresh salmon, and with improved means of collection were increasing their trade and getting a good market. Difficulties developed in the Fishing industry and as to Government's control over the marketing of codfish and, before the U.S. Tariff complications came to a head, Hon. W. F. Coaker, Minister of Marine and Fisheries, told a London journal (Jan. 15) that Newfoundland might "have to seek a safe market in the United States and the countries under American influence, such as Cuba and Porto Rico, and, in return, give the United States a trade preference on imports because Newfoundland had received little aid from Britain in the disposal of her fishery products or the development of her resources in lumber and minerals." The timber-cutting industry almost collapsed in the first part of the year as a result of low prices and the seal industry closed its season on Apr. 30, 1921, with a catch of 101,452 pelts for the nine steamers —not enough to make the business profitable because of low prices though the catch was greater in bulk than in the previous two years.

Considerable depression followed owing to the general fall in prices, over-purchase of imports at preceding high prices, reduction in returns on codfish and shrinkage in the book debts of merchants. But it was not as bad as pictured and Sir Richard Squires, Prime Minister, wrote to the New York *Tribune* (May 20) stating that there was no financial embarrassment, that the newspaper articles of Sir Patrick McGrath in Canada and the United States were too pessimistic—the latter being Opposition leader in the Legislative Council; that "Newfoundland's trade and labour conditions have certainly been the subject of depression, as in all parts of the world, but the depression has not been as great, nor is there any sign of its becoming as acute, as it has been both in the United States and Canada."

The Legislature was opened on Mch. 30 and the Budget presented on May 25 by Sir Richard Squires, Prime Minister, showed the revenue to June 30, following, as $8,244,104 and the estimated expenditures as $11,171,821. It was pointed out that the merchants had imported in the previous fiscal year $7,000,000 worth of

goods over and above current requirements and this had to come off the imports of the fiscal year 1920-21 and thus lessen the revenue as the reduction in prices, also, was doing; Newfoundland, besides, had interest burdens on a war expenditure of $16,000,000 and the total funded Debt was $49,000,000. Sir Michael Cashin, Opposition leader, was vigorous in his criticism and, in dealing with the Labrador boundary dispute with Canada which, it was announced, had been referred under joint agreement to the Imperial Privy Council, claimed that it might become, financially, a question of handing that region over to England or Canada. The Railway situation also became a difficult one during the year and the Premier stated in the Legislature (May 25) that when the Railway Commission's term of office expired the relations between the Reid-Newfoundland Railway and the Government would be a serious question.

During the Session a measure was passed providing for the operation of the Railway system for one year ending June 1st, 1922, by the Reid-Newfoundland Co. The Government guaranteed a loss in operation up to $1,500,000 under the provisions of the Bill, but the Company would meet losses above that figure; it was passed by a vote of 18 to 14. Sir George Bury, of Canadian Railway experience, had been appointed Commissioner to investigate conditions and he had reported that since 1904 operating costs had exceeded earnings by $5,750,000; that the Joint Commission of the Reid interests and the Government, appointed in 1920, and since in control, had not improved matters. The Legislature was prorogued on Aug. 12 after the longest Session in 70 years. Sir P. T. McGrath shared the pessimism of Sir Michael Cashin at this time and, in a despatch to the Halifax *Chronicle* on July 21 stated that the country "might be compelled to seek terms of Confederation with Canada." Sir Richard Squires was in Washington early in October and registered Newfoundland's protest against the Fisheries' duties of the Fordney tariff; Hon. W. R. Warren, Minister of Justice, was in London during December presenting the case of Newfoundland, in regard to the Labrador boundary, before the Privy Council; Sir P. T. McGrath spent three months at this time searching the archives of Canada and the United States for evidence to be used in connection with this dispute regarding the boundary between Labrador and the Province of Quebec.

Trade conditions bettered at the end of the year and on Oct. 3rd, Capt. Edwards, British Trade Commissioner, stated to the Montreal press that the situation was improving rapidly, that there never had been a serious depression in Newfoundland and that what existed was greatly exaggerated in reports; that the re-adjustment taking place in the ocean service from Newfoundland, as recently inaugurated by Steamship companies, would be a big factor in bringing about a general betterment; that Portugal had recently placed an embargo on Norwegian fish with Newfoundland making a determined bid for the market; that some progress was being made in the development of mineral resources, especially copper mines, with indications of very satisfactory results. During his English

visit the Minister of Justice (Mr. Warren) stated that a British corporation was "trying out" copper ore at Green Bay, with a view to development while the Anglo-Persian Oil Co. had a staff of geologists prospecting under arrangements with the Government

Sir Edgar Bowring, Newfoundland's High Commissioner in London, told the *Canadian Gazette* on Nov. 3rd that the value of the Dominion's crops and live-stock in 1921 actually exceeded that of her Fisheries. For some years Agriculture had been making slow but sure progress and the movement had hardly been noticed. The crops had been good and the Minister of Agriculture reported to him that there were in Newfoundland 21,000 horses, 80,000 sheep, 28,000 head of cattle, 14,000 goats and 13,500 pigs; a remarkably fine showing for a small population not hitherto credited with being agricultural. The estimated value of agricultural products in 1920 was $19,513,604. He added that: "Newfoundland is financially sound and able to meet her obligations satisfactorily. There is a certain amount of unemployment in the Island, but that has been relieved by schemes of work started by the Government, and as the autumn approaches there is less and less unemployment until at the present moment, I think everyone is fully employed. The Fisheries have been excellent so far as quantity is concerned—well above the average." At a Newfoundland Club dinner, in London on Nov. 24, Sir Edgar pointed out again that Fishing no longer was the staple industry and that:

> We get out of the land twice as much as we get out of the sea. Our potato crop, amounting to 600,000 barrels, is more valuable than our Labrador fisheries; our hay crop, combined with roots, such as turnips, is more valuable than our shore fisheries, while the live-stock trade—cattle, horses, sheep, goats, etc.— is more valuable than the Bank fishery; so that Newfoundland, which has always been considered entirely a fishing country, turns out to be an agricultural country. Not that we have by any means developed our fisheries to the extent that we ought. Far from it. There is an undeveloped field there that might claim profitable investment for millions of capital for many years to come. We have only touched the fringe of the fresh fish business, and Mr. Reid will bear me out when I say that his cold storage plant, so far as he has gone, has been successful, and that his huge establishment, exporting many thousands of tons of fish a year is doing very well.

In December H. D. Reid announced, at St. John's, extensive plans for the development of the natural resources of Newfoundland with the immediate employment of 2,000 men and stated that, while in London, he had negotiated a contract with the Armstrong, Whitworth Co. Ltd., to develop the resources of the Humber Valley; by that project paper mills would be established twice the size of the Harmsworth plant at Grand Falls with a capacity of 1,000 tons daily; the contract guaranteed the expenditure of $7,000,000 within two years with the establishment of aluminium works and other industries and extensive water-power development. It may be added that, in 1920, the Newfoundland Legislature had turned down Woman Suffrage and that in 1921—the fourth year of operation—there were some Prohibition troubles in the Island-Dominion though nothing so marked as in Canada and the United States.

Canada and the British West Indies: The Conference of 1920.

The Dominion was in close touch with the West Indies in 1921 and this was based upon certain developments of 1920 which could not, for special reasons, be dealt with in *The Canadian Annual Review* for that year. Canada was considerably and practically interested in these regions. Its export in 1916, of products which the West Indies imported to a total of $35,883,000, was only $7,059,370; on the other hand, out of $117,315,500 worth of imports such as the West Indies produced, Canada only took from the Islands $22,525,700*. The population of the 18 islands and British colonies, loosely called the West Indies, totalled 2,225,000 at this time, and they had, as a rule, products which Canada needed and demands which Canada could supply. The Bank of Montreal, through its close relations with the Colonial Bank, as well as the Royal Bank through a number of branches, were interested in the Islands; the Royal Mail Steam Packet Co. ran Canadian ships, under Government subsidy, from Halifax; the new Canadian Merchant Marine was, in these years, actively seeking business there. In 1912 Canada had entered into a ten-year reciprocal Preferential Trade Agreement (which became operative in 1913) with the main group of the British Islands and with British Guiana, and had granted preference, without reciprocity, to Jamaica, the Bahamas and British Honduras, upon an average basis of 20 per cent.; since this preference had been established the total trade of Canada with the West Indies had increased from $14,100,000 in 1913 to $33,400,000 in 1920.

The Canadian and West Indies Conference of 1920. During this year various incidents led up to the Conference at Ottawa including a Congress of Associated West Indian Chambers of Commerce at Barbadoes, the condition of the existing Cable service between Great Britain, Canada and the West Indies, the continued high price in Canada for West India products *via* New York, the ever-growing influence of American trade in Jamaica and some of the other Islands, the development of the Canadian Merchant Marine which provided much-needed transportation facilities, the grant of an Imperial preference to the Islands and the state of exchange with New York. The Canadian delegates to the Conference, as finally fixed, were Sir George Foster, Minister of Trade and Commerce; Sir Henry Drayton, Minister of Finance; Hon. Martin Burrell, Minister of Commerce, and Hon. C. C. Ballantyne, Minister of Marine; Antigua sent four representatives and Bermuda the Hon. W. E. Jackson, C.M.G., M.L.C., Colonial Secretary, and Hon. S. S. Spurling, C.B.E.; Bahamas the Hon. Harcourt Malcolm, O.B.E., Speaker of the Assembly, and Jamaica Hon. E. St. J. Branch, K.C., Attorney-General; Demerara, Grenada, Barbadoes, Leeward Islands each had one delegate. Great Britain was represented by Lieut.-Col. L. C. M. S. Amery, M.P., Under Secretary for the Colonies, and Capt. E. J. Edwards, Trade Commissioner to Canada. Many of the delegates had expert advisers with them. It was pointed out at

*NOTE.—Figures extracted from a valuable little pamphlet issued by the Bank of Montreal.

this time* that the trade of the British West Indies—including Bermuda, British Guiana and British Honduras was as follows:

Colony	Canadian Imports From			Canadian Exports To		
	Fiscal Year 1918	Fiscal Year 1920	11 Months Ending Feb., 1920	Fiscal Year 1918	Fiscal Year 1920	11 Months Ending Feb., 1921
Bermuda	$84,940	$55,604	$74,598	$823,407	$1,249,020	$1,348,395
British Guiana	6,716,647	7,412,931	7,573,293	1,978,323	3,109,381	3,240,054
British Honduras	352,028	302,043	78,605	13,468	29,350	33,232
Barbados		7,532,265	8,184,382		2,131,171	2,217,425
Jamaica	10,550,550	2,631,833	4,340,059	6,838,563	3,280,559	3,163,857
Trinidad and Tobago		954,469	556,366		3,746,644	4,640,174
Other British West Indies		974,577	1,435,413		1,710,888	1,944,380
	$17,704,165	$19,863,722	$22,242,716	$9,653,761	$15,257,013	$16,587,517

The opening proceedings on May 31 included addresses from H. E. the Duke of Devonshire, Sir. R. L. Borden, Prime Minister, and Lieut.-Colonel Amery. In the Commons on this date Mr. Lemieux asked as to the objects of Conference and Sir George Foster replied that three subjects were to be discussed: (1) Trade relations of the two sections of the Empire as regarded preference and objects of preference; (2 transport facilities or better communications both as to passengers and freight; (3) improvement of cable facilities. At the Conference, meanwhile, Committees were appointed dealing with wireless and cable communications and transport and shipping and they held their first sessions; the main body discussed tariffs and preferences and on June 8, after some days of this discussion, the Dominion Government gave a Dinner to the Delegates which marked a sort of half-way point in the proceedings; speeches were made by Sir George Foster, Sir Robert Borden, Hon. W. E. Jackson, Hon. Mackenzie King and Colonel Amery.

In Toronto on June 11 the Delegates were present at a Civic luncheon in their honour and expressed high hopes of success; the chief speakers were Hon. S. S. Spurling, Hon. Herbert Ferguson and Charles Marriott, President of the Toronto Board of Trade; Hamilton and Niagara Falls were also visited. During this period and up to June 20 when the Conference closed—with the exceptions noted—two sessions daily were held and an arrangement touching the three subjects under consideration was finally concluded and signed by all the representatives of the Governments concerned. This Agreement was subject to the consideration and approval of the different Legislatures, and the approval of the Secretary of State for the Colonies. It was officially announced that the Agreement: (1) Carried the assent of all the delegates present at the Conference; (2) was framed upon an increase of the mutual preference then granted and an extension of the list of products upon which Preference had hitherto been given; (3) included in the mutual Preference all the British Colonies in the West Indies; (4) contemplated mutual co-operation of the signatories towards the provision and maintenance of improved steamship transport and included a Memorandum

*NOTE.—Canadian Bank of Commerce Monthly Letter, June, 1921.

urgently pressing for improved cable communications. On Aug. 2nd the details were made public as to the formal Agreement between Canada and the British West Indies—including Bahamas, Barbadoes, Bermuda, Jamaica, Trinidad, Leeward and Windward Islands, British Guiana and British Honduras—for a period of 10 years but terminable on 12 months' notice. Under its terms:

1. Canada granted a Preference on all goods, the produce or manufacture of any of the above Colonies imported into Canada, then subject to duty or which might be subject to duty at any future time.

2. Excepting the special preference shown in Paragraph III. and excepting also tobacco, cigars, cigarettes and alcoholic liquors, Canada granted a Preference of 50 per cent. on goods imported from any of the above Colonies as compared with the duty imposed on similar goods imported from foreign countries.

3. Canada granted the Preference indicated with respect to the following articles the produce or manufacture of any of the above Colonies:

Sugar from 46·08 cents to 96 cents per 100 lbs.
Cocoa beans, not roasted, crushed or ground, $1.50 per 100 lbs.
Lime juice, raw and concentrated, not refined, 10 cents per gallon.
Limes, fresh, Free, as against General Tariff of 15%.
Arrowroot, 1 cent per lb.
Cocoanuts, imported direct to a Canadian port, Free as against General Tariff of 75 cents per 100.
Cocoanuts, not otherwise provided for, 50 cents per 100.
Grapefruit, 50 cents per 100 lbs.
Rum, 60 cents per gallon of the strength of proof.
Onions, Free, as against General Tariff of 30%.

4. The above Colonies agreed to grant a preference on all goods the produce or manufacture of Canada.

5. Subject to the special provisions of Paragraph VI. the duties on Canadian goods imported from Canada (other than tobacco, cigars or cigarettes) should not at any time be more than the following percentage of the duties on similar goods imported from a foreign country:

(a) 50% in the case of Barbadoes, British Guiana and Trinidad (Preference therefore, 50%.)
(b) 66⅔% in the case of British Honduras, the Leeward Islands and Windward Islands (Preference 33⅓%).
(c) 75% in the case of Bermuda and Jamaica (Preference 25%.)
(d) 90% in the case of Bahamas (Preference 10%).

6. The above Colonies granted the Preference indicated with respect to the following articles the produce or manufacture of Canada:

Flour, one shilling per barrel, or bag of 196 lbs.
Spirits, (Brandy, Gin, Rum, Whiskey) 2s 6d. per liquid gallon.
Wine, Beer and Ale, Duty not to exceed 4/5 full rate.

As to the Steamship services Canada undertook to use its best endeavours to arrange for a mail, passenger and freight steamship service of 5,000 to 6,000 tons to come into effect as soon as possible, and in any case within three years, between Canada, Bermuda, the Leeward Islands, the Windward Islands, Barbadoes, Trinidad and British Guiana. The representatives of the Colonies concerned undertook to recommend that their Governments should contribute toward such subsidized steamship service, when established, a total of $27,000 annually. Pending the establishment of such service, the Government of Canada would try to maintain a fortnightly service on the existing lines, and to supplement it with such additional freight or passenger and freight vessels as the trade might require.

The Agreement concluded with a declaration that the representatives of Canada and the Colonies would recommend for the consideration of the respective Governments that British-owned and British-controlled cables should be laid as soon as possible, without waiting for the termination of the proposed agreement with the West Indian and Panama Telegraph Co.

Canada and the West Indies in 1921. During the later part of 1920 and early in this year the various Colonies of the West India group came finally into the Canadian Agreement—with the exception of Bermuda where the Legislature rejected the Agreement because of its own close trade relations with the United States; the House of Commons, Ottawa, approved it on Apr. 19, the Senate a little later, and the Agreement went into effect June 18, 1921. A movement also developed and had official support in England for a closer union amongst the Islands themselves; Major E. F. L. Wood, Under-Secretary for the Colonies, made a tour of the West Indies during this period. On Mch. 21, in the British Commons, the adoption was approved of a Supplementary agreement to that of 1914 with the West India and Panama Telegraph Co. It provided for a waiver of deductions from the Imperial subsidy under terms of which a large reduction took place in cable rates to the West Indies with payment to the Company by the Imperial and Canadian Governments of £8,000 each per annum and a local subsidy of £10,300 contributed by the various Colonies—making up a total of £26,300 for a period of 10 years expiring on Sept. 30, 1924. Conditions, it was explained, had greatly changed and the Company could not go on without help of this kind.

At the Imperial Conference Mr. Winston Churchill, Secretary for the Colonies, pointed out that Canada was really not complete, commercially or geographically, unless she was associated with the tropical Islands of the West Iudies; that the more these two portions of the British Empire were interested, the one in the other, the greater would be the benefits to both. At Kingston, Jamaica, on Aug. 3 a Resolution was presented in the Legislature urging confederation between the British West Indies and Canada, but was voted down. On July 15 the West Indian Federation Committee, through its Secretary, wrote the Colonial Secretary and stated that the proposed union of the British West Indies, including British Guiana and Honduras, was as much an Imperial as a local question, and suggested the advisability of delegates from the various Colonies meeting in London to discuss the question.

Following the making of the Trade Agreement and from the first part of 1921 the Canadian Government Merchantile Marine maintained a tri-weekly service between Canada, the Bahamas, Jamaica, and Belize, British Honduras. In summer the Canadian port was Montreal; in winter Halifax. The Government also paid to the Royal Mail Steam Packet Co. a subsidy of $340,666 for a bi-weekly service between Canada and British Guiana, the vessels calling at a number of islands in the Caribbean Sea and the contract, which was to end on Oct. 31, was extended during the year until

Mch. 31, 1922. In December the R.M.S.P. Company announced a reduction in their rates for the West Indian route in order to stimulate traffic on the northern lines during the winter season. During July the Canadian Naval Squadron visited Jamaica and other West Indian Islands and received a cordial welcome.

Canada and Cable News Conditions: The Imperial Press Conference of 1920.

This problem was an important one in 1920 and 1921; more discussed in the former year than the latter—especially by and through the Imperial Press Conference, a record of whose proceedings has been held over from the 1920 volume of *The Canadian. Annual Review.* An effort was made by Hon. N W. Rowell, Minister of External Affairs in this latter year, to obtain Parliamentary and press approval for an Imperial Cable News Service to which the Dominion Government would contribute $20,000, the British Government $20,000 and the daily newspapers of Canada $15,000 per annum. The Dominion grant was included in the Estimates of the Department.

The Minister shared with many others the knowledge that Canadian world news, with slight exceptions, came from American correspondents in London and other world capitals to New York and was distributed to the Continent by the American Associated Press; that while the distribution from N.Y. had, in recent years, been through the hands of the Canadian Associated Press, Ltd., the material used, despite revisions or eliminations, remained American in origin and, unavoidably, in point of view—especially as to Great Britain and British Empire conditions and politics. There were some very slight special Canadian despatches under the auspices of the Canadian Associated Press—taken over in 1918 by the Canadian Press Ltd.—and as a result of a small subsidy granted for a time by the Dominion Government but it was infinitesmal in the mass of other material. A part of the press objected to Mr. Rowell's proposal on the ground (1) that it interfered with the liberty of the press and (2) that it was British propaganda. No reference was made to the continuous though subtle American propaganda of the existing system. The chief opposition came from the Toronto *Telegram* and to Irving E. Robertson of that journal, and President of the Canadian Associated Press, Mr. Rowell wrote on Apr. 12, 1920:

(1) We were advised that the Canadian Press, Limited, took over the Canadian Associated Press some 12 or 18 months ago, and that the affairs of the C.A.P. are really now under the control of the Canadian Press, Limited. The Canadian Press, Limited, intimated to the Government that if the new Subsidy was granted to cover Imperial News Service, the subsidy to the C.A.P. might be discontinued. We are not able to see where there is any difference in principle between a subsidy of $8,000 to the Canadian Associated Press and a subsidy of $20,000 to the Canadian Press, Limited. There is, however, as we understand it, a very real difference in the two. The subsidy to the C.A.P. was originally for the benefit of a limited number of papers only; whereas the subsidy to the Canadian Press, Limited, will cover all the Canadian papers members of this Association.

(2) The Service rendered originally by the C.A.P. was of a much more limited character than will be the new proposed Service which it is contemplated will be

on a very much more extensive scale, and will provide the Canadian Press with news from all portions of the Empire; (3) You are quite in error in assuming that the Service has any political character in the sense suggested, or any Governmental interference, or control. The Canadian Press, Limited, will be just as free as the C.A.P. has been in the past; in fact, in this respect we understand the two Services stand on the same basis.

A voluminous ensuing correspondence was published in the *Telegram* of May 4; Mr. Robertson opposing all subsidies to the press, declaring that the newspapers should stand alone, denouncing the Imperial Press Conferences and "would-be Beaverbrooks" and claiming (Apr. 16) that such a "sinister" condition as was proposed would soon replace news by propaganda. Mr. Rowell pointed out (Apr. 24) that despite his opposition to the proposed subsidy, Mr. Robertson was still urging $8,000 a year to the C.A.P. E. Norman Smith of the Ottawa *Journal*, President of the Canadian Press, Ltd., wrote at length to Mr. Rowell (Apr. 21) as to the relations of the C.A.P. and his organization: "The Canadian Associated Press was established prior to the existence of the larger organization, known as Canadian Press, Limited. Upon the development of the latter into a national organization, the separate existence of the C.A.P. became unnecessary, and the majority of its shareholders were and are willing to merge the two institutions. They are practically merged now, all the shareholders of the C.A.P., being shareholders of C.P., and only a few technical details stand in the way of a complete amalgamation."

Meanwhile, the Imperial Government had done its share and in the British Commons on Mch. 8 Colonel Amery presented and carried estimates for £13,000 which might be required in 1919-20 to continue in a modified form arrangements made during the War for despatch of Press messages through Reuter's Agency to the Overseas Dominions and Colonies. Contributions to the cost of the Service had, he said, been promised by the Dominions and Colonies concerned. The actual service to Canada had ceased in October last but the Canadian Government had been discussing the matter with the Canadian Press, Limited. On May 19 representatives from 40 daily newspapers, published in every part of the Dominion, from Sydney to Victoria, attended a meeting in Toronto of the Canadian Press, Limited, the co-operative and mutual organization of Canada for the supply of domestic and foreign news services. The proposals for an improved Cable News service, to be entirely within the control of the Canadian Press, were discussed and Mr. Robertson's views dominated the situation.

It was officially announced that the Canadian newspapers, as a body, although grateful to the British Government for its offer of financial aid, decided that they could not, in self-respect, burden the British taxpayers; they were prepared, from their own resources, and by continuation of aid received from the Ottawa Government, to develop a service of inter-Imperial cable news. Following this, the proposed grant of $20,000 by the Canadian Government fell through; on June 30 the House was asked to continue a local vote of $50,000 to the Canadian Press, Limited, as aid in the transmission

of telegraphic news from East to West over the large vacant spaces existing between certain sections of the country; the vote of $8,000 to "Press Ltd.", or the old C.A.P. service, was renewed. The matter came up for consideration at the Imperial Press Conference and at the 9th Congress of Chambers of Commerce. The following comment (Dec. 25) was made by *Canada*, the London weekly journal of Canadian interests:

It is unfortunate that owing to the opposition of certain of the larger and more wealthy Canadian newspapers the suggested increase in the Government subsidy of the newspaper cable service from the Mother Country to Canada will not be granted. The Canadian daily Press, with very few exceptions, cannot possibly be said to enjoy, at all, an adequate cable service from the capital of the Empire. In past years it has been an acknowledged fact that British news to Canada was far too much coloured by American influence.

The Imperial Press Conference of 1920. Lord Atholstan, proprietor of the Montreal *Star*, was Chairman of the Canadian Branch of the Empire Press Union, under whose auspices these Conferences were held, and the active chief of the promoters in Canada. He was in England during April, was entertained at luncheons by *The Times* and the British Newspapers Proprietors' Association; incidentally, he took his seat in the House of Lords for the first time. His visit helped to arouse British interest in the matter while, in Canada, the Committee having local arrangements in hand was constituted as follows: Lord Atholstan, Chairman; P. D. Ross (The Ottawa *Journal*), Treasurer; J. E. Atkinson (Toronto *Star*); W. J. Mayrand (Montreal *La Presse*), and W. J. Taylor (Woodstock *Sentinel-Review*), with C. F. Crandall (Montreal *Star*), as Secretary. The Dominion and various Provincial Governments made grants toward expenses and the Canadian newspapers subscribed to a Fund of $50,000. The programme included a tour of Canada, and those finally in attendance at the Conference represented many influential journals of the United Kingdom, Australia, New Zealand and South Africa, as well as Canada—with about 60 from Great Britain and 40 from the other parts of the Empire. India, Newfoundland, West Indies, Ceylon, Egypt and other places were represented. It was the second Conference of this nature—the first being held at London in 1909* Some of the most notable of those who arrived in Canada at the end of July were as follows:

GREAT BRITAIN:		
Viscount Burnham	President, Empire Press Union	London
Lord Apsley, D.S.O., M.C.	*Morning Post*	London
Sir Robert Bruce, LL.D.	*Herald*	Glasgow
H. T. Cadbury	*Daily News*	London
Sir Emsley Carr	*News of the World*	London
Harold Harmsworth	*Western Morning News*	Plymouth
Col. Sir Arthur Holbrook, M.P.	*Times*	Portsmouth
P. J. Hopper	*Freeman's Journal*	Dublin
Sir Roderick Jones	*Reuter's*	London
C. D. Leng	*Telegram*	Sheffield
T. B. Maclachlan	*Scotsman*	Edinburgh
Sir Frank Newnes	The *Strand Magazine*	London
Dr. Ellis T. Powell	*Financial News*	London
Hugh Spencer	*Westminster Gazette*	London
Sir Campbell Stuart	*Times*	London

*NOTE.—See *The Canadian Annual Review* for 1909, Page 61 and following.

GREAT BRITAIN—(Continued)		
Sir Charles Starmer	*Northern Daily Echo, etc.*	London
Sir George Toulmin	*Lancashire Daily Post*	London
AUSTRALIA:		
The Hon. C. E. Davis, M.L.A.	*Mercury*	Hobart
G. E. Fairfax	*Morning Herald*	Sydney
Hon. Theodore Fink	*Herald*	Melbourne
Hon. J. W. Kirwan	*Miner*	Kalgoorlie
G. Syme	*Age*	Melbourne
NEW ZEALAND AND SOUTH AFRICA:		
H. Horton	New Zealand *Herald*	Wellington
E. Abbey Jones	*Daily Times*	Southland
T. W. Leys	*Star*	Auckland
P. Selig	*Daily Press*	Christchurch
P. Davies	*Witness*	Natal
C. D. Don	*Star*	Johannesburg
R. S. Ward-Jackson	Rand *Daily Mail*	Johannesburg
D. M. Ollemans	*The Friend*	Bloemfontein

Others present were Sir Howard D'Egville, Sir Gilbert Parker, Robert Donald, Sir Harry Brittain, M.P., Miss M. F. Billington of the *Daily Telegraph*—the only woman delegate—and Sir Patrick McGrath of Newfoundland. Lord Burnham was Chairman of the British Delegation, G. E. Fairfax of the Australian, Ward Jackson of the South African and T. W. Leys of the New Zealand. The *Victorian* arrived at Sydney, N.S., on July 27 with 98 accredited delegates on board; a large number of messages of welcome from leading Canadians and representatives of Canadian centres were received. On the 28th the party arrived at Halifax and were officially welcomed by the Lieut.-Governor and Provincial Premier with replies by Lord Burnham and Robert Donald. The latter dealt with what he termed "the moral lapse of America" in not supporting the Versailles Treaty and the League of Nations and described the burden thrown upon Britain.

Grand Pré and the Land of Evangeline and Truro were visited and St. John gave a warm reception to the delegates on the 30th; at Fredericton on the 31st a banquet was held in the old Legislative Chamber with Sir Campbell Stuart as the chief speaker; in Quebec on Aug. 1st Lord Burnham and the Delegation entertained Capt. Waite and the officers of the *Victorian* at a dinner; Grand Mêre and the Laurentide Pulp works were visited *en route* to Montreal where, on the 3rd, a special Convocation of McGill University conferred the Hon. degree of LL.D. upon Lord Burnham, Sir Harry Brittain, R. S. Ward Jackson and Thomas W. Leys. Here, also, a luncheon was tendered by the City with Hon. Chas. Marcil speaking for the administration and Sir H. Brittain for the visitors; here Lord Atholstan entertained the delegates and 400 guests, all told, at a brilliant banquet in the Ritz-Carlton—the speakers including Sir Lomer Gouin, Sir J. S. Willison, Fernand Rinfret, M.P., J. R. Rathom of the Providence *Journal*, Lord Burnham; while cables were read addressed by H.M. the King and Mr. Lloyd George to Lord Atholstan. The delegates arrived at Ottawa on Aug. 4 and here the real business of the occasion commenced.

The Conference was opened on the 5th by an address from H. E. the Duke of Devonshire and speeches from Mr. Premier Meighen and Hon. Mackenzie King. Upon motion of Lord Atholstan, Lord Burnham, Chairman of the British Empire Press Union, was elected

Chairman of the Conference; Lord Atholstan, himself, was appointed Hon. Chairman. The first subject of discussion was that of cables and cable rates and wireless services; as to the latter a Resolution was passed in favour of "providing the British Empire and the world with advantages of wireless, telegraphic and telephonic communications"; in the evening a Government banquet was given with the Governor-General presiding. Mr. Meighen declared that: "The distribution of news is now the greatest trust in the whole body democratic. The opportunities for good are infinite, the possibilities of mischief are just as vast. In my way of looking at it there is only one motto for a good newspaperman: 'The truth shall make you free'." Hon. P. E. Blondin, Postmaster-General, on the 6th made a strong plea for the strengthening of mutual understanding between the nations of the Empire; J. W. Dafoe of the Winnipeg *Free Press* followed in an appeal for a common ideal amongst British Dominions and co-operation with the United States—"We are a combination of nations by consent." Sir George Toulmin wanted Imperial partnership, Hon. J. W. Kirwan declared that equality of status involved similarity of obligation. Resolutions regarding Cables, Wireless and other Communications and Imperial Cable News Service were approved, as follows:

(a) This Conference is strongly of opinion that it has become necessary to secure forthwith facilities for the better, quicker, and cheaper conveyance of News throughout the Empire, and calls upon the Empire Press Union to take immediate steps to attain this end.

(b) This Conference strongly recommends the Governments of Great Britain and Ireland, of the Dominions, and of India to encourage the development of cable, wireless, and other facilities for the exchange of news and opinion within the Empire, and to assist in securing reduced rates for such intercommunication; any such assistance to appear specifically in the estimates of public expenditure, and to be so directed as not to affect the quality of the news service supplied or the freedom of the newspapers so served.

(c) This Conference is of opinion that the full utility of cable and wireless communications, as a factor in educating public opinion and in maintaining a good understanding between all peoples of the Empire, will not be attained until rates are reduced to a basic charge of one penny per word for Press messages throughout the whole of the British Empire.

(d) This Conference is strongly of opinion that steps should at once be taken to provide the British Empire and the world with the advantages of wireless telegraphic and telephonic communications, and it urgently requests the Governments of the Empire to secure by public or by full facilities for private enterprise, at an early date, adequate wireless services throughout the Empire.

The vital question of the preparation and despatch of reliable news from London—as the collecting and distributing point of world news to this Continent—was discussed but no decision arrived at. One side dealt, very guardedly as a rule, with the Americanized nature of all press despatches from London—prepared by Americans and for Americans; the others feared British propaganda if placed under control of a Canadian-British news agency. R. E. Kingsford, K.C., of Toronto, on behalf of a number of organizations, presented a protest against the enormous circulation of United States magazines in Canada, reviewed the disadvantage of having British magazines marketed here in United States editions and urged the need of a British News Service. As to the latter point the Memorial sug-

gested that the American Associated Press despatches having been prepared for United States consumption, were not suitable for Canadian readers; the attitude and policy of Great Britain was very frequently garbled in the News services of the United States. Partly in this connection and on motion of P. D. Ross, the Conference declared that "Postal rates within the Empire for newspapers and periodicals should not exceed the lowest rates in force between any foreign country and any part of the Empire." Another Resolution was approved expressing opposition to any news carrier being concerned, directly or indirectly, with the compilation or distribution of news.

On Aug. 7, following a discussion of Newsprint and paper troubles and a statement from A. L. Dawe of the Canadian Pulp and Paper Association, the Conference declared that "the question of paper supplies being of vital importance to members of the Empire Press Union, steps should be taken to insure adequate supplies throughout the Empire." Other Resolutions passed were (1) supporting cheaper postal rates for letters throughout the Empire; (2) asking the Empire Press Union to appoint a Committee to confer "with all Universities within the Empire which provide courses of journalism, in order to frame a scheme of travel scholarships within the Empire for young journalists of proved capacity"; (3) urging the "advisability of bringing the commercial laws of the various Dominions as much as possible into line"; (4) approving the "harmonizing of curricula in the Universities of the Empire as far as possible, and consistently with exigencies and requirements of each;" (5) urging the need for standardizing the Naturalization Laws of the Empire; (6) expressing congratulations to the Governments concerned upon the Canada-West Indies commercial Treaty; (7) declaring that whatever assistance be given by the Government in the interests of the more extensive dissemination of Imperial news the Press and all news services "be and remain independent of Government or official control"; (8) urging "the interchange and publication of a larger volume of Empire news, apart from political propaganda, than at present pertains." An address was given by Sir George Foster, and after formal motions of thanks a Resolution was passed, enlarging the membership of the Empire Press Union to admit weekly and trade journals and to hold a Conference every 4 years; the Conference then concluded its labours and the final Ottawa function was a garden-party at Government House.

The gathering had been a success in bringing together men of many minds from many countries; it had skated over the most vital of Imperial problems and that most important of all Empire press matters—Cable news; it showed, however, a general desire to conciliate, to agree, to harmonize Imperial difficulties and seek union rather than disunion. There were some conspicuous speakers. Lord Burnham, of course, was a favourite everywhere, J. W. Dafoe of Winnipeg, Fernand Rinfret of Montreal, John Nelson of Vancouver, Sir Campbell Stuart, Ward Jackson of Cape Town, Sir Robert Bruce of Glasgow, Robert Donald and Dr. Ellis T. Powell

were notable. Following the close of the Conference many of the visiting delegates and many of the Canadians travelled across the continent as guests of the Government and the C.P.R., the Canadian National Railways or the Grand Trunk, and were accorded the warmest greetings everywhere.

Toronto, Hamilton and Niagara Falls were the first places visited. At a Civic banquet in Toronto (Aug. 9) Sir Campbell Stuart declared that "in the background of all our lives a real Imperial soul is developing to guard and guide this Empire, and it is destined to be, through all the coming ages, the unseen pilot in its course." Here, also, Toronto University conferred the Hon. LL.D. upon Robert Donald, Vice-Chairman of the Empire Press Union, Geoffrey E. Fairfax of the Sydney *Morning Herald*, Australia; Sir Robert Bruce, and the Rt. Hon. Sir Gilbert Parker, Bart.; Miss Billington of the *Telegraph* was specially honoured by the Canadian Women's Press Club and a luncheon was given the Delegates at the Royal Canadian Yacht Club. They were at Guelph on Aug. 13 with a welcome by Hon. E. C. Drury; then came the run by rail to Sarnia and thence by the *Harmonic* across Lake Huron and Lake Superior to Port Arthur and Fort William; following receptions here Winnipeg was reached on the 16th with various functions in honour of the visitors. Portage la Prairie, Carberry and Brandon—with the grain fields in fine shape—next received the Delegates and Regina on the 18th succeeded Moose Jaw as the point of Interest.

In the Saskatchewan capital they were entertained at luncheon by the Provincial Government; at Gleichen on the 19th they saw a "Wild West Stampede" and here Lord Burnham was made a Blackfoot chief with due ceremony. In Calgary the City gave a dinner to the visitors and Mrs. J. H. Woods a garden-party; Banff, in the heart of the mountains, was reached on the 21st after a trip by motor as the guests of the Southern Alberta Press Association through 100 miles of foothills and towering peaks; at Lake Windermere, B.C., a reception was tendered on behalf of Southeast Kootenay. At Vancouver on Aug. 25 after having covered 5,000 miles since July 31, Sir Roderick Jones paid high tribute in the press to the organization of the tour: "I have participated in tours through Europe and Africa, but have never seen one so well organized. Mr. C. F. Crandall is, in a large measure, responsible for its success." The Pacific cities duly welcomed the visitors by the usual entertainments; there was a Civic dinner at Vancouver and visits to lumber camps and the plant of the Canadian Fishing Co.; two days were spent on Vancouver Island with an official reception at Victoria by the Lieut.-Covernor and a dinner by the Attorney-General, Hon. J. W. de B. Farris; the famous "Sunken Gardens" of R. P. Butchart were seen.

After parting with some, who returned by the Pacific to Australia or New Zealand, the return trip was made *via* the National Railways, Jasper Park and the famous "Playground of the Rockies," and Edmonton was reached on Sept. 1st. Here, at a Provincial Government banquet Lord Burnham advocated the creation of a

Council sitting in London, on which the Dominions would be represented by resident Ministers. Wainwright and Prince Albert were visited and at Saskatoon on the 3rd the University of Saskatchewan was inspected. At Winnipeg there was a Canadian Club luncheon for the delegates. Lord Burnham and others were in Toronto again, on Sept. 8, and present at an Exhibition luncheon where Sir Charles Starmer had a cheering word as to conditions in England: "Industrially, the situation is not as bad as some would have you believe. Canada sometimes gets a distorted view of English affairs, but I think that can be overcome when there is a direct Cable service from England." At Montreal on Sept. 10 Lord Burnham told the press that: "We did not come to preach, or to bring a message." From Quebec a party of 55 sailed on Sept. 15 by the *Empress of Britain* C.P.O.S. after a farewell luncheon given by the visitors to local newspapermen and certain citizens and an official luncheon by the Quebec Government with eloquent parting words from Hon. L. A. Taschereau and Hon. Athanase David.

In London on Nov. 2nd Lord Burnham, as President of the 2nd Imperial Press Conference, was entertained at luncheon by the Empire Press Union. Lord Northcliffe presided over a distinguished gathering and presentations were made from the British delegates to Lady Burnham and to F. Crosbie Roles, Hon. Secretary of that Delegation. On Dec. 16 a Dinner was given to the returned delegates by the Canadian Association in London with Lieut.-Col. Grant Morden in the chair and speeches from Sir George Perley, Sir G. McLaren Brown, Rt. Hon. F. G. Kellaway, M.P., F. C. Wade, K.C., and W. C. Noxon. Incidents of the Conference and Tour included presentation to the Delegates of a Guide Book to Canada entitled *Canada: East and West*, prepared by J. Castell Hopkins, Author of *The Canadian Annual Review*, at request of the Canadian Committee; the publication of a handsome volume by Robert Donald recording the history of the Conference; the presentation to Lord and Lady Burnham, by the delegates, of a magnificent Canadian moose head with 24 points; the personal interest taken in the Tour by J. Murray Gibbon, in charge of the C.P.R. publicity interests, H. R. Charlton of the G.T.R. and W. L. Crighton, Canadian National Railways. Following is a list of the Canadian Delegates.

Lord Atholstan	*Daily Star*	Montreal
J. E. Atkinson	*Daily Star*	Toronto
J. R. Burnett	*The Guardian*	Charlottetown
Hon. Frank Carrel, M.L.C.	*Telegraph*	Quebec
C. F. Crandall	*Daily Star*	Montreal
J. W. Dafoe	*Free Press*	Winnipeg
F. B. Ellis	*The Globe*	St. John
M. R. Jennings	*The Journal*	Edmonton
W. F. Kerr	*The Leader*	Regina
Oswald Mayrand	*La Presse*	Montreal
John Nelson	*The World*	Vancouver
G. Fred Pearson	*Morning Chronicale*	Halifax
P. D. Rodd, LL.D.	*The Journal*	Ottawa
W. J. Taylor	*Sentinel-Review*	Woodstock
Maj.-Gen. Sir David Watson	*The Chronicle*	Quebec
J. H. Woods	*The Herald*	Calgary
J. B. Maclean	*Maclean's Magazine*	Toronto
W. R. Davies	*The Mercury*	Renfrew
W. S. Douglas	*Mail and Empire*	Toronto

J. M. Eastwood	*The Times*	Hamilton
J. M. Imrie	Daily Newspaper Association	Toronto
Miss M. MacMurchy	Women's Press Association	Ottawa
Lieut.-Col. Parkinson	*The Journal*	Ottawa
E. Roy Sayles	Weekly Newspaper Association	Toronto
L. J. Tarte	*La Patrie*	Montreal
Senator Smeaton White	*The Gazette*	Montreal
Sir John Willison	London *Times* Correspondent	Toronto

The Chambers of Commerce Congress, 1920.

The 9th Congress of the Chambers of Commerce of the Empire was held at Toronto on Sept. 17-24, 1920. Its consideration here has been carried over from the 1920 volume. The first of these gatherings had been held at London in 1886, in 1903 the meeting was at Montreal and in 1909 at Sydney, Australia; Lord Desborough, K.C.V.O., Chairman of the 1912 Congress—the last one held owing to the War—was President in 1920 as he, also, was of the British Imperial Chamber of Commerce. The latter body was a sort of permanent Bureau in charge of arrangements with 116 organizations affiliated; C. E. Musgrave was Hon. Secretary. The object of the Congress, which was held triennially (alternately in London and the Overseas Dominions), was "to give expression to Imperial commercial opinion in matters directly or indirectly affecting commercial and industrial affairs."

H. M. the King was Patron of the Congress and at Toronto the Duke of Devonshire was Hon. President. In London the Organizing Committee included Sir G. McLaren Brown, Sir C. A. Hanson, M.P., and Charles Cambie; in Toronto Sir J. W. Woods, K.B.E., was Chairman of Committee; A. E. Ames, D. L. Carley, William Douglas and D. O. Wood, Chairmen of Sub-Committees, and F. G. Morley Secretary. The Delegates in attendance at Toronto when the Congress was opened on Sept. 17 represented the chief cities of the United Kingdom; the six greater cities of Australia; the Chambers of Commerce of Bengal, Ceylon, and Upper India; the West Indies and the British Chambers in Cologne, Paris and Sao Paulo. Representative men in attendance included Stanley Machin, President of the London Chamber; A. J. Hobson, LL.D., President of the Association of British Chambers of Commerce; Sir Thomas Mackenzie, High Commissioner for New Zealand in London; Mark Sheldon, Australian Trade Commissioner to the United States; O. E. Bodington, Vice-President of the British Chamber in Paris; Sir Alex. McRobert, India; R. F. S. Hardie, Ceylon; J. F. Darling, C.B.E., London; Sir Harold E. Boulton, Bart., London; W. F. Cockshutt, M.P., Brantford; Lieut.-Col. W. N. Ponton, Belleville; Lloyd Harris, Brantford; Sir Edmund Walker and Sir James Woods, Toronto.

In speaking at the opening meeting Lionel H. Clarke, Lieut.-Governor, welcomed the Delegates for the Province and T. L. Church, Mayor, for the City; Charles Marriott, President of the Toronto Board of Trade, was Chairman and declared that "the business of the Empire should be carried on for the benefit of all

the people who are its co-operative shareholders"; Sir James Woods stated that "the main object of the Congress, as I see it from a Canadian viewpoint, is that every dollar's worth of goods purchased in Canada should come from some part of the Empire. We want efficient, prompt and cheap cable and wireless service, and must get our British news direct, instead of filtering through another country." In his reply, Lord Desborough said: "I think I may say that, stricken though England has been, she is not yet decrepit, and you will find she will be able both materially and financially, to contribute to the rebuilding of the other portions of the British Empire." The first business meeting was inaugurated in Convocation Hall of the University of Toronto, by a thoughtful speech from the President, Sir Robert Falconer, dealing with the relations of Education, Science and Commerce. Lord Desborough, in his Presidential address, reviewed the Congresses of the past and stated the trade of the Empire in 1918 as 13,000 millions of dollars and its population, without the recent German territories, as 450 millions.

Many Resolutions were presented and discussed during following days, the debates were informative and full of useful data, the speeches were strongly Imperialistic in tone. Stanley Machin, Mark Sheldon, Lieut.-Col. W. N. Ponton, O. E. Bodington, Sir H. Boulton, H. L. Symonds, W. F. Cockshutt, Sir T. Mackenzie, R. J. Graham (Belleville), Lloyd Harris, A. J. Hobson, Hon. Frank Carrel, Quebec, J. A. Ayton (Derby), Charles Marriott, J. G. Scott and Joseph Picard, Quebec, F. L. Moorhouse, Huddersfield, C. H. Catelli, Montreal, A. Barton Kent, London (England), Leon Lorrain, Montreal, D. A. Cameron, Toronto, took an active part in the proceedings and discussions.

Perhaps the most important of these addresses was J. F. Darling's proposal for the organization of an Imperial bank-clearing system based upon the Bank of England. He would, first of all, "follow the lead of the United States and introduce bills of exchange as a currency basis and thus improve somewhat on the Federal Reserve system." Following the stabilization of exchange Mr. Darling declared that his Central bank scheme would only require the co-operation of the 125 banks of the British Empire—*plus* the enormous number of branches. It would not compete with other Banks in ordinary banking business, but be the banker of Governments and of Banks with a central office in London and branches throughout the Empire.

The plan included (1) an extension of the Bank of England's note issue against self-liquidating Bills of Exchange; (2) Bank of England notes to be used in place of gold against any increase in existing Note issues in the Empire; (3) the Bank of England to open offices wherever necessary in order to keep the accounts of the banks of the Empire; (4) the Bank to make transfers at par in its books, when necessary by cable, between the accounts of these banks; (5) the capital of the Bank of England to be increased to, say, £20,000,000 by alloting the increase of £5,447,000

to the Dominions; (6) the Dominions to have representatives on the Board of the Bank of England. Sir Edmund Walker, in his comment upon the proposals, pointed to Canada's difficulty in being associated so closely in trade, finance and currency conditions with the United States; geography had made New York the centre of the continent and the settlement basis for Canadian financial interests. There was no serious discussion of the Banking scheme. The following Resolutions were carried:

1. A message of loyalty to H. M. the King and expression of gratitude to His Majesty's forces on sea and land and in the air for their services in the War.

2. That the Congress records with satisfaction the action of His Majesty's Government in convening the Imperial Statistical Conference, and desires to express its endorsement of the proposal for the establishment in London of a Central Bureau of Statistics, adequately equipped and staffed, for the purpose of obtaining, collating, examining and publishing statistics which bear upon the conditions and resources of the Empire and the relations of its members with one another and the rest of the world.

3. That this Congress regrets the apparent exclusion from the Imperial Shipping Committee of representatives of shipping and trading interests of the British Dominions and Dependencies.

4. That a comprehensive summary of the industries, natural resources and advantages of all parts of the Empire, with authoritative reports from time to time upon current conditions and development, should be prepared so as to be available to all, and that the emigration of British citizens between Great Britain and her Overseas Dominions be facilitated and encouraged and, if necessary, subsidized.

5. That this Congress, realizing the importance to the Empire of the textile industry and the many trades subsidiary thereto, views with concern the probable inadequacy of future supplies of raw cotton and urges the Imperial and Colonial Governments to take all possible steps, in close co-operation, to advance and promote the growing of cotton within the Empire.

6. That a commercial survey of the timber available in the Empire should be made by the competent authorities, with a view to the larger utilization of supplies from this source and the development of practical forestry on scientific lines.

7. That this Congress reiterates the opinion as to the urgent necessity of establishing without further delay cable communication between the various parts of the Empire, passing solely through British territory, and recommends that a sufficient subsidy be provided by the participating Dominions, or Colonies and Great Britain.

8. That as to Cables the date of filing message and name of country of origin should be recorded on all messages; that the whole question of war-time censorship, use of public and private codes, transmitting signatures to all cablegrams, and cable and telegraphic delays, be considered by the British Imperial Council of Commerce with a view to the formulation of a plan of operation on the outbreak of war.

9. That this Congress desires to emphasize the urgent necessity of establishing a network of high-power wireless stations throughout the Empire and urges the Home and Dominion Governments to take the necessary steps to this end without further delay.

10. That the movement initiated in 1913 for promoting the establishment of an Imperial Air Fleet and an all-red route of aeroplanes and airships round the Bhitish Empire merits cordial and active support.

11. That this Congress re-affirms its opinion in favour of Preferential trade within the British Empire and pledges itself to press upon the various Governments concerned the desirability of taking action to give

effect to this principle; that, in any consideration of Preferential trade, tariffs should be framed in regard to the rates of water freight and other differential conditions, if any, prevailing in exporting countries; that every effort should be made to promote reciprocity with all parts of the British Empire.

12. That the Home Government be asked to call an Imperial Conference on the stabilization of our inter-Empire exchanges by the co-operation of the Home Government with the Governments of the Dominions and India.

13. That it is desirable that, with a view to the encouragement of closer trade relations with the Empire, special efforts should be made by various existing propagandist agencies, and especially by the wider distribution of trade journals throughout the Empire, and that more favourable postal facilities should be accorded by the various Governments to this end; that wider publicity and tuition be given in regard to the necessity of manufactures adapting their wares to the requirements of importing countries.

14. That all associated Chambers and Boards be asked to give employment preference to ex-Service men.

15. That negotiations should be at once initiated looking to the abrogation of the 30 per cent. differential duty established by Venezuela upon products of the British West Indies.

16. That it is desirable that shipowners and others in the United Kingdom who control shipping and freight rates should be legally required so to conduct their business that other countries are not favoured; that the time has arrived for the repeal of all existing legislation and the substitution therefor of an Empire Merchant Shipping Act, to apply to all vessels entering or clearing at any Custom House within the Empire.

17. That the British Merchant Marine should be maintained in its commanding position and that every Colony possessing the facilities to aid in this purpose be encouraged to maintain shipyards and to contribute all the British bottoms possible, thus retaining for the benefit of the Empire the skilled mechanics who are being sought by other countries; that the establishment of free ports should be studied by the Imperial and Colonial Governments with the view, if the project be approved, that at least one free port should be established at the terminal point of each important system of navigation; that trade between the ports of the British Empire should henceforth be regarded as "coastwise" for the purpose of shipping subject to power being reserved to enter into arrangements of a reciprocal character.

18. That the British Imperial Council of Commerce be requested to take into consideration the desirability of having prepared a manual on the procedure it is, *inter alia*, necessary for commercial consignees to follow on the outbreak of war.

19. That it is of vital importance to Canada and the British Empire that British-Canadian ports of a national character should be developed and equipped to the highest standard of efficiency, as speedily as possible, and utilized to the fullest extent in the handling of inward and outward bound commerce.

20. That a 20-knot steamship service should be established between the United Kingdom and Halifax in the winter, and Quebec in the summer; that, owing to the shorter mileage of the Canadian route, such a service would be as fast as the present 25-knot service to New York; that it should be followed by the establishment of an 18-knot steamship service in the Pacific Ocean, between Vancouver, New Zealand and Australia.

21. That the Imperial and Canadian Governments should arrange with the Underwriters in such a way that the Marine Insurance Rates for Canadian Ports should be the same as for New York, so as to favour Imperial trade.



Sir Campbell Stuart, K.B.E.
An Eminent Canadian in London; appointed Managing Director of *The Times*.



Edward Robert Peacock
A Canadian Financier in London; Appointed in 1921 a Director of the Bank of England.

22. That by the use of powerful steamers and ice-breakers—as in the Baltic—the St. Lawrence season could and should be extended two or three months, to the great advantage of Canada.

23. That it is desirable in the interests of the shipping public generally that a universal or standard form of wording be adopted throughout the British Dominions for all invoice purposes requiring a Customs declaration; that for this purpose it is desirable to hold a conference of Customs officials representing all parts of the Empire.

24. That if and so long as the British Government wishes to exclude store cattle or other animals, particularly from parts of the Empire outside of Great Britain, such exclusion should be clearly stated to be on grounds of general policy and not on account of disease where none exists.

25. That this Congress endorses the desirability of codifying and assimilating Commercial Law throughout the Empire as far as possible and, further, is of opinion that the law in regard to Bills of Lading and the enactment of uniform laws in relation to Trade Marks, Designs and Copyright, should receive first consideration.

26. That this Congress protests against the practice which prevails in some countries of placing false trade marks and marks of origin upon goods not made in the British Empire; that it strenuously protests against the practice which prevails in some countries of placing British Hall Marks upon (a) silver goods not made in the United Kingdom, and (b) electro-plated goods.

27. That the early and general adoption of commercial arbitration in business disputes throughout the Empire is desirable; that the Home and Dominion Governments should encourage the general adoption of the Metric or decimal system in the British Empire by every practicable means.

28. That this Congress desires to express itself in favour of the establishment of a League of English-speaking peoples.

It may be added that the Preferential Tariff Resolution was carried by 85 votes to 21; that Lloyd Harris, formerly head of the Canadian Trade Mission in England, advocated the formation of an Imperial Trade Committee, consisting of three representatives of each of the Dominions and Colonies, with representation of the Mother Country, to sit in London as a permanent Council to study Imperial questions; that the final address in the Preferential debate was delivered by Sir George Foster, who argued that each of the British nations must adopt the fiscal policy which would best serve and advance its interests. At the banquet given by the Toronto Board of Trade to the Delegates on Sept. 21 Charles Marriott presided and the speakers were Lord Desborough, Sir George Foster, P. W. Ellis, Hon. E. C. Drury, Sir Edmund Walker, Sir Thomas Mackenzie, Mark Sheldon, George Summer, President Montreal Board of Trade, Hon. F. Carrel, Quebec, M. F. Christie, Winnipeg, Sir Alex. McRobert and A. J. Hobson.

During the Sessions of the Congress there was a garden party at Government House, a Review of Cadets, a Reception at the Royal Ontario Museum; following it there was a visit to Niagara Falls and Queenston Heights, a visit to Brantford and a Dinner by the local Chamber of Commerce on Sept. 27; the ensuing tour of Ontario included London, Windsor, (Detroit, U.S.), Guelph, Hamilton, North Bay and Copper Cliff and Espanola,

Sault Ste. Marie, Temiskaming District—including New Liskeard, Cobalt and Haileybury, Timmins and the Hollinger Mines, Iroquois Falls and Ottawa; in Quebec, Shawinigan, Montreal, Quebec City and varied points of interest in the Province were visited. Banquets and a cordial reception were given everywhere; some of the Delegates visited the United States—including Philadelphia, Boston and New York, and were hospitably entertained. A special train was provided by the Railways in Ontario and Quebec; on Oct. 13 the Delegates sailed by the *Empress of Britain.*

The Imperial Conference of 1921; Influence of the Canadian Premier.

This gathering of British Empire Prime Ministers *plus* the representatives of India and other members who were not Premiers, was an exceedingly important meeting though not in exactly the forms or with the results expected. It had not the powers tacitly conceded the Premiers and Ministers sharing in the Imperial War Cabinet of 1917-18; it did not meet to make any constitutional changes in the Empire system; its agenda of debate and decision was restricted and the Constitutional Conference recommended at the Imperial Conference of 1917 was indefinitely postponed; it came to no decision as to a united Naval policy which the British Government undoubtedly desired and its purely constructive action was limited. Yet it helped in solving the Japanese-United States problem as it affected the British Empire and it precipitated the holding of the Washington Peace Conference.

Much was expected from the meeting and Mr. Lloyd George in the Commons on Feb. 16 laid stress upon the Defence question: "The defence of the Empire ought to be an Imperial concern. It is too much to ask these small islands, with the gigantic burdens they are bearing, and bearing very gladly, to undertake, themselves, the whole burden of the defence of this gigantic Empire in every sea, Atlantic and Pacific alike." He declared the forthcoming Conference to be "one of the most momentous" in the history of the Empire: "If there is a general sense that we must make common cause to defend the liberties of the world and the interests of the Empire, and it is known that, in the event of some great upheaval like the late War, the Empire is ready in future to repeat the great effort of the past, that will be one of the soundest guarantees for peace, for this British League of Nations has also got a word to say in the settlement of the world's affairs."

In the Canadian Parliament on Apr. 25 Mr. Premier Meighen explained that this was the first opportunity since the last meeting of the Peace Conference for "personal and direct consultation between the Prime Ministers on the broad issues of policy." It had been hoped to have one in 1920; finally the British Government's invitation was accepted in October of that year for

June, 1921. The meeting was to be of "a special and preliminary character having in view the necessity of discussing (1) preparation for the special Constitutional Conference, contemplated in Resolution 9 of the Imperial War Conference of 1917, to be held at a later date"; (2) a general review of the main features of Foreign relations—particularly as they affected the Dominions; (3) the question of the renewal of the Anglo-Japanese alliance which was especially urgent; (4) "Preliminary consideration of some working method for arriving at a common understanding as to the policy in such external affairs as concern all parts of the Empire." Additional topics were suggested afterwards by the Governments of Britain, India or Australia and were described by the Canadian Premier as extensions of the original programme; he stated, also, that his Government had expressed doubt as to the inclusion of some of them and that the additional agenda which follows could not be regarded as a hard and fast arrangement:

Inter-Imperial communications by Land, Sea and Air.
The position of British Indians in other parts of the Empire.
Naval, Military and Air defence.
The recommendations of the Overseas Settlement Conference recently held in London.
The development of Civil Aviation.
The reports of the Imperial Shipping Committee appointed as a result of Resolutions 11 and 24 of the Imperial War Conference of 1918.
The findings of the Technical Commission appointed to discuss the question of Imperial Wireless communications.
The question of German Reparations, including the division as between the various parts of the British Empire of any amounts received.
Imperial Statistical Bureau; Imperial Patents.

The matter was discussed, again, at Ottawa on Apr. 27 upon motion of Sir Robert Borden who, in an elaborate speech, dealt with the constitutional evolution of the Dominions and concluded with this statement: "We cannot assume or accept the status of nationhood without accepting also its responsibilities. I earnestly hope that the burden of providing for defence will be much less in the future than in the past. But, whatever the burden may be, I believe it will be less upon this country as a nation of the Empire than if we stood separate as an independent nation. x x x I believe that the security and permanence of the Empire are to be found in the association of its democracies upon a basis of autonomy, liberty and co-operation rather than in Parliamentary federation." Mr. Mackenzie King, Opposition Leader, followed and declared that this was not an opportune time to settle some of the very important questions specified above. He questioned the correctness of Mr. Winston Churchill's description of the coming meeting as an Imperial Peace Cabinet and moved a Resolution declaring that: "This House, while recognizing the propriety of Canada being represented at any Imperial Conference or Conference of the Prime Ministers of the Empire that may be called, desires to record its opinion that at the coming Conference no steps should be taken

in any way involving any change in the relations of Canada to other parts of the Empire; and that, in view of the present financial position of Canada, no action should be taken implying any obligation on the part of Canada to undertake new expenditures for naval or military purposes."

Mr. Meighen replied by declaring that consultation and conference were incompatible with instructed delegates and claiming that he must go to the Conference free to discuss any question which came up; at the same time all decisions taken would be submitted to the Canadian Parliament for approval. He reviewed the functions of the Imperial War Cabinet which he described as "a consultative body, not an executive": "It was a cousultative body, this is a consultative body—a body whereby the various units that compose the Empire can meet, get each other's opinions, learn each other's conditions, then come back to the Parliaments from which they are sent and make such recommendations as to them seem best suited to the need." Mr. Lemieux and Mr. Rowell followed in elaborate speeches with others from H. Deslauriers, J. A. Currie, F. Rinfret, etc., and then the motion was defeated by 96 to 64. The general tone of the debate showed that the Imperial Defence question might be discussed at the Conference but should not be decided.

Meanwhile, the status of the Conference was much discussed. The British Premier had frequently styled it an Imperial Cabinet and so had Mr. Massey, Prime Minister of New Zealand; Mr. Churchill, Secretary for the Colonies, stated on Apr. 25 that this was a very important year in the life of the British Empire, for it would see "the first Peace meeting of the Imperial Cabinet"—a meeting of the regular Imperial Cabinet of the British Empire, and there were many matters of great consequence to be discussed; Lord Curzon, Foreign Secretary, in the Lords on Feb. 15 described it in the same terms as "the summoning of an Imperial Cabinet, which became while it lasted a new and powerful organ of government, all its members being invested with the full authority and rank of Cabinet Ministers, and its decisions being not merely decisions of the British Government, but of the British Empire."

Sir Joseph Cook, acting Prime Minister of Australia, stated in his Parliament on June 1st that the Imperial War Cabinet had been of the greatest possible usefulness during the War. He went on to say that: "It simply provided that all the Dominions should be taken into the confidence of, and consultation with, the Imperial Government; I cannot conceive anything more useful, now, so long as it follows the same plan and has the same objective. It will be both a Cabinet and a Conference." This was not exactly the view expressed by Mr. Meighen at Ottawa, who described the War Cabinet as little more nor less than a Conference. In the British Commons on June 17 Mr. Austen Chamberlain, Government leader, described the following suggestions of

his Government as the chief subjects for consideration at the Conference:

The Naval, Military and Air Defences of the Empire.
Arrangements for securing common Imperial policy in Foreign affairs.
The question of the renewal of the Anglo-Japanese Alliance.
The composition and agenda and meeting place of the proposed Constitutional Conference.

As a matter of fact, the gathering was both a Cabinet and a Conference. It met in secret Sessions, it was composed only of members of various Empire Governments—except in the case of India, it was taken into the absolute confidence of the British Cabinet, its members had the support of their respective Parliaments and from Cape Town, Ottawa and Melbourne each Premier had come with a direct expression of confidence from the majority. During the proceedings and following the precedent set during the Imperial War Conferences, the Cabinet principle actually was applied as it had been in respect to the War Cabinet. From 1916 till the Armistice the Prime Ministers of the Dominions and the representatives of India frequently sat with members of the British Cabinet to determine the measures necessary for the prosecution of the War. This method of procedure was also adopted by the British Empire Delegation during the Peace Conference in Paris; where all cardinal decisions were taken by the Delegation as a whole.

In accordance with this precedent the Prime Ministers of the Dominions and the representatives of India present in London in 1921 were invited to meetings with members of the British Cabinet; they were called to deal with Imperial and foreign questions of immediate urgency which arose in the course of the sittings. One of the most important of these was the Upper Silesian question which, during the session of the Conference, assumed an acute form, and was debated at each stage by the members of the Conference, whose interest in a matter so closely affecting the relations of Great Britain and France was incontestable. The main lines of British policy in connection with the solution of this problem received the unanimous approval of the Conference. The constitutional difference between this form of procedure and an ordinary Cabinet was, of course, the fact (1) that the body was not responsible to a single Legislature, that (2) it was not united under one Prime Minister but under several, and (3) that any decisions by majority vote could not be enforced upon the minority. The idea or possibility of an Imperial Cabinet was denounced by the Toronto *Star*, the Winnipeg *Free Press* and the Toronto *Globe*. The latter on June 21 described it as a delusion: "The Mother of Parliaments would be shorn of her authority if the affairs of the Empire were entrusted to a group of men responsible to no Parliament."

The Conference finally met at No. 10 Downing Street, the Prime Minister's offices, on June 20. It was constituted as fol-

lows: United Kingdom, Rt. Hon. D. Lloyd George (Prime Minister), Rt. Hon. Austen Chamberlain, Rt. Hon. A. J. Balfour, Rt. Hon. Winston Churchill; Canada, Rt. Hon. Arthur Meighen, Prime Minister; Australia, Rt. Hon. W. M. Hughes, Prime Minister; New Zealand, Rt. Hon. W. F. Massey, Prime Minister; South Africa, General the Rt. Hon. J. C. Smuts, Prime Minister, Sir Thomas Smartt, Minister of Agriculture, and Col. the Hon. H. Mentz, Minister of Defence; India, Rt. Hon. E. S. Montague, Secretary of State for India, the Maharajah of Cutch and Rt. Hon. Srinivasa Sastri. Other members of the British Cabinet were present from time to time as matters associated with their Departments came up—Lord Curzon, Lord Lee of Fareham, Sir L. Worthington-Evans, Sir Robert Horne. As to Canada, Hon. C. C. Ballantyne and Hon. Hugh Guthrie were present in London, though not officially as Delegates, and they, with Sir George Perley, aided Mr. Meighen. Mr. Lloyd George delivered the opening address in terms of characteristic breadth and capacity. "There was a time," he added, "when Downing Street controlled the Empire. To-day the Empire is in charge of Downing Street." His picture of the Empire was vividly drawn:

> The British Empire is a saving fact in a very distracted world. It is the most hopeful experiment in human organization which the world has yet seen. It is not so much that it combines men of many races, tongues, traditions and creeds in one system of government. Other Empires have done that, but the British Empire differs from all in one essential respect. It is based, not on force, but on goodwill and a common understanding. Liberty is its binding principle. Where that principle has not hitherto been applied it is gradually being introduced into the structure. x x x The British Empire is progressing very satisfactorily from a constitutional standpoint. The direct communication between Prime Ministers, as established during the War, has, I think, worked very well, and we have endeavoured to keep you thoroughly abreast with all important developments in Foreign affairs. x x x The British Dominions have achieved full nationhood and now stand beside the United Kingdom as equal partners in the dignities and responsibilities of the British Commonwealth.

Mr. Hughes supported the Imperial Premier on the Defence matter: "You, sir, said some time ago, that Britain had paid so dearly for victory and was groaning under so crushing a burden of debt that it could no longer, alone, be responsible for the defence of the Empire by seas as it had heretofore, and that the other parts of the Empire must do their share. To that doctrine I subscribe without reservation. I think it is the corollary of our admission into the councils of the Empire to determine its foreign policy. Dangers to the Empire or to any part of it are to be met, surely, by unity of action. That is at once the principle upon which the Empire rests and upon which its security depends." The other Premiers spoke, as did Mr. Sastri for India and Mr. Churchill for the Crown Colonies and Protectorates. Mr. Meighen agreed with Mr. Lloyd George as to the importance of the Conference system: "For ourselves, for this Britan-

nic commonwealth of nations, this method or principle has a peculiar significance. We are united by the history of our being, by a mutual trust, and by a fundamental intention to preserve a common allegiance. We, therefore, confer under conditions particularly favourable, in free and open communication, one with another, and in an atmosphere of complete mutual confidence."

The ensuing discussions were varied and the points of view equally so. The renewal of the Anglo-Japanese Treaty was, perhaps, the dominant subject; Mr. Meighen early took the ground that, in the interests of harmony between the United States and Great Britain, it should not be renewed; Australia and New Zealand wanted its renewal, desired the support of Japanese power in Eastern seas, preferred the friendship and co-operation of Japan to possible misunderstanding and hostility, but were quite ready to ensure that such a Treaty should never be directed against the United States; South Africa was more or less indifferent while Great Britain, of course, appreciated its indebtedness to Japanese support—financial, naval, and as a matter of *prestige* during the War—and understood how useful it might still be in times of Eastern trouble. Out of the ensuing discussion, the debates on Naval affairs and the keen interest of Australasia in the peace of the Pacific came the urgent call for a Pacific Power Conference; the negotiations of the British Government with Washington to this end; the sudden invitation by President Harding to a wide inter-national Peace Conference.

On June 22 Lord Curzon gave the Conference a long, comprehensive, confidential review of the Empire's Foreign policy, commitments and conditions; he was plied with questions and answered them all with frankness; while Mr. Churchill, as having charge of British interests in the Near East, in Egypt, Mesopotamia and Palestine, described matters there and outlined in detail the Government's policy and responsibilities. The conversations upon Foreign policy were long, minute, detailed; the objects were (1) putting all the ideas of the Delegates into a common stock; (2) careful examination of intricate questions from different standpoints, and (3) free and full discussion of aims and methods to be followed. According to the Official Report issued on Aug. 5, these discussions revealed a unanimous opinion as to the main lines to be followed by British policy, and a deep conviction that the whole weight of the Empire should be concentrated behind a united understanding and common action in foreign affairs.

Constitutional subjects and the proposed special Conference in that connection were discussed on the 24th. Mr. Meighen strongly emphasized his view as to full autonomy for the component parts of the Empire being essential to unity and prosperity and, also, as to the desirability of close friendship with the United States. In the special 100th year issue of the Manchester *Guardian* the Canadian Premier had clearly outlined his opinion along these lines on May 5 preceding the Conference: "If there

is a practical need for closer constitutional organization it seems not unlikely to be met, not so much by novel devices in state organization, as by clearly understood and definitely accepted declarations of principle, which would obviate the uncertainties and distractions to which allusion has been made, with improvements in so much of the form and consent of the existing mechanism as may be found obsolete." It was on June 27 that Mr. Meighen elaborated at the Conference his general view as to Foreign policy and consultation with the Dominions and, especially, Canadian control over Empire policy toward the United States.*

Though General Smuts' speech was not made public, he had expressed a rather modified view in a *Times* interview on June 11: "It has been suggested that as the Dominions are autonomous nations owing allegiance to a common Sovereign, they should each be able independently to tender advice to the Sovereign; but I do not think the solution for which we are looking is to be found in that direction only. We must find a means of co-ordinating our several views to meet the common interests of all the component parts of the Empire." As to the proposed Constitutional Conference, it was stated by Resolution that no present advantage would be gained by holding one; all four Dominion Premiers, as a matter of fact, were expecting Elections within a year and the difficulties were obvious.

A subject of serious import was the insistence of the Indian delegates upon a full discussion of the status of British Indians in British countries such as Canada and South Africa and British East Africa or Kenya; it was finally referred to a Committee. Another problem reviewed was that of Air defence and, on July 5th, Field Marshal Sir Henry Wilson and Air-Marshal Sir Hugh M. Trenchard, supported by various experts and officials, made lengthy statements outlining the Empire's position respecting both land and air; this, also, was referred to a Committee and neither Empire Air nor Wireless communication plans apparently found favour with Mr. Meighen. Mr. Hughes was enthusiastic as to both. "It is," he said toward the close of the Conference, "essential—if our voice in the counsels of the Empire is to be a real one, and not a shadow—that the various parts of the Empire should have constant and speedy communications with each other. The day is not far distant when the Prime Ministers of the various Dominions will be in wireless telephonic communication with each other. It is quite possible to arrange for an aeroplane service between here and Australia, and I think I am safe in saying that airships can reduce the journey to something like ten days."

Canada was at this time the only Dominion having Wireless communication with Great Britain. Mr. Meighen expressed his desire for better Cable news and during the discussion (July 6)

*Note.—See Foreign Affairs Section of this volume.

said: "We know that the news that comes to Canada filters through New York, indeed it is censored from the American standpoint. And it has as a result an undesirable influence, and a very serious influence it is." Both Mr. Churchill and Mr. Hughes drew public attention to this condition but nothing very definite was done. The former said to the Conference (July 6) that: "It is not merely a question of the news and of the demand for the news, but of the atmosphere created, and it is really a vital thing that the British Empire should develop a strong British Empire atmosphere, that we should know, in each part of the Empire, what the other parts are thinking. There should be a sympathetic understanding of each other's difficulties. It will come when we are telling our story to each other rather than having it told for us by other men."

German Reparations were discussed on the 6th. Under the decision reached by the Supreme Allied Council, the Empire received 22 per cent. of whatever Germany paid, 55 per cent. going to France and the balance to Belgium and Italy and the other allied nations. The task confronting the Conference was to fix a basis upon which the amount received by the Empire should be apportioned among its different parts. The difficulty in obtaining a basis for adjustment was found to be very great. Finally, Canada's share of the estimated total of $30,000,000,000 was set at 4·35 per cent. of the British Empire total of $6,600,000,000, or $287,000,000, and Australia's was the same; South Africa was to get 0·60 per cent., Newfoundland 0·10 per cent., India 1·20 per cent. and New Zealand 1·75 per cent. By the close of the year, it may be added, $22,494,979 in Canadian war claims had been filed at Ottawa for illegal acts of warfare committed on Canadians and Canadian property by Germany and her allies during the War, and Sir Douglas Hazen was appointed to investigate these claims and decide the amounts really due the claimants.

Other questions discussed at the Conference were many and one of those which most interested the members was the effort to have a preliminary consultation with United States delegates as to the Washington Conference and its proceedings. Many of the Dominion Premiers could not attend the formal gathering at the close of the year; all were concerned and interested in its proposed work. The British Government did all that was possible, Japan signified its agreement, the Conference took up the details in secret Session, but Washington would not accede to the proposal or any modification of its original invitation. Meanwhile, the proceedings of the Conference were private though an official report was issued from time to time; General Smuts and Mr. Meighen were understood to want publicity but the dangers of diplomatic difficulty in many delicate negotiations and as to varied international tender-spots were paramount with British statesmen. To Canadians Grattan O'Leary sent despatches

which kept Mr. Meighen's views and work well before the people; J. A. Stevenson sent letters to certain journals which took the point of view opposed to all forms of constructive Imperialism. The Canadian Premier's policy pleased the Liberal press of Canada and in England; the Conservative papers naturally found nothing in it to condemn. Speaking at the quaint but brilliant function in the historic Guildhall on July 15, when Mr. Meighen was given the Freedom of London, he offered an interesting view of the relations of the Dominions to the Empire:

> In our political institutions we are indeed replicas of this country. The head of these institutions is the Sovereign common to us all and revered by us all. In that fact, what I may call that momentous similarity, are wrapped up the sense of our common mission on earth and the secret of our unity. But I doubt if there is any other respect in which the Dominions are replicas of the Motherland. Our geography is different, our neighbourhood is different, our racial composition is different. The assets stored by nature in our soil are also different. No two nations of this Empire have the same path to travel. Each encounters difficulties and enjoys advantages all its own.

One of the questions much discussed was that of Emigration and, after hearing the report of its Committee, the Conference passed a Resolution declaring that "the several Dominions are prepared, subject to Parliamentary sanction and to the necessary financial arrangements being made, to co-operate effectively with the United Kingdom in the development of schemes based on these proposals (Report of Conference on State-Aided Empire Settlement) but adapted to the particular circumstances and conditions of each Dominion." Consideration of adapting existing legislation as to Land and Soldier Settlement in the Dominions to secure effective Imperial co-operation was, also, approved. The following Resolution as to the projected Constitutional Conference was adopted:

> (a) Continuous consultation, to which the Prime Ministers attach no less importance than the Imperial War Conference of 1917, can only be secured by a substantial improvement in the communication between the component parts of the Empire. Having regard to the constitutional developments since 1917, no advantage is to be gained by holding a Constitutional Conference.
>
> (b) The Prime Ministers of the United Kingdom and the Dominions and the Representatives of India should aim at meeting annually, or at such longer intervals as may prove feasible.
>
> (c) The existing practice of direct communication between the Prime Ministers of the United Kingdom and the Dominions, as well as the right of the latter to nominate Cabinet Ministers to represent them in consultation with the Prime Minister of the United Kingdom, are maintained.

No Resolution was passed as to the League of Nations but a statement was made by Mr. Balfour and there was general appreciation expressed as to its work and claim to the support of the British Empire as a step forward in the regulation of international affairs. Close consideration was given to the question of British policy in Egypt and the future status of that country, and general agreement was reached regarding the principles by

which His Majesty's Government should be guided in the negotiations with the Egyptian Delegation. The Naval and Imperial Defence policy of the Conference was summed up in a motion deferring consideration or recommendations until after the Washington Conference; useful consultations were held, however, with the Admiralty and the Military and Air Staffs as to principles and details of co-operation.

It was arranged that British Aviation material useful for Imperial air communications was to be held available pending consideration by the Governments of the Dominions as to proposals made by the British Government; this consideration eventually was unfavourable and the material was scrapped or sold. As to the Imperial Wireless scheme, it was agreed by Resolution that: "His Majesty's Government should take steps for the erection of the remaining stations for which they are responsible, as soon as the stations are designed; that the Governments of Australia, the Union of South Africa, and India, should take similar action so far as necessary, and that the Governments of Canada and New Zealand should also co-operate." Other Resolutions were passed as follows:

1. Approving uniform legislation on the limitation of shipowners' liability by clauses in bills of lading and also continuance of the existing Imperial Shipping Committee.
2. Asking the Radio Research Board to investigate the subject of wireless telephony and to report on its development—whether Governmental or private.
3. Declaring that "any assistance given by the Governments of the Empire towards the reduction of rates for Press services by wireless and cable should appear specifically in the estimates of public expenditure, and should be so directed as not to affect the quality of the News service supplied or the freedom of the newspapers so served."
4. Stating that "in the interests of the solidarity of the British Commonwealth, it is desirable that the rights of Indians to citizenship should be recognized."
5. Urging that "a Conference of representatives of the Patent Offices of His Majesty's Dominions be held in London at an early date to consider a system of granting patents which should be valid throughout the British Empire."

The Conference closed on Aug. 5 after passing an Address to the King which declared that: "We have been conscious, throughout our deliberations, of a unanimous conviction that the most essential of the links that bind our widely spread peoples is the Crown, and it is our determination that no changes in our status, as people or as Governments, shall weaken our common allegiance to the Empire and its Sovereign." During the proceedings there were 34 plenary meetings, 11 meetings of the Prime Ministers, or what were termed Imperial Cabinet meetings, and eight meetings of the Committees at the Colonial Office. It may be added that Loring C. Christie, of Ottawa, was Mr. Meighen's legal adviser during the Conference.

The general results of the Conference were valuable and some vital. It paved the way for the greater Washington

Conference; its discussions focussed world-attention upon the Anglo-Japanese alliance and really initiated an international settlement of the issue; it helped in pointing the way of Ireland to Dominion status and enabled General Smuts to act in the negotiations with pivotal force; it awakened Dominion statesmen to the tremendous issues of British Foreign policy; it settled the question of distributing German reparation moneys—when received! At the same time practical steps such as Wireless, Aviation and other matters of inter-Dominion and British interest were undoubtedly side-tracked. Speaking to the press at Halifax on Aug. 6 Mr. Meighen said: "I will give you one thought that the experience of the past few weeks has impressed on my mind. I have been impressed with the real value, the undoubted necessity of these Conferences. It is not a mere platitude, much less an empty patriotic boast, to say that Great Britain is the greatest factor in the world to-day for preserving peace. The influence of the British statesmen in the councils of the world is greater because the Dominions and India are within the Empire and because she reflects, or wants to reflect, their views as well as her own. So far as Foreign policy is concerned, I do not think there are many in Canada who would have this country decline the invitation to come and help. We must walk with the nations of this Empire or walk away from them. The gospel of isolation is the gospel of separation, under a thin disguise. I believe in the British Empire."

Meanwhile, Mr. Meighen, as Prime Minister of Canada, had figured largely in the public eye—apart altogether from the actual incidents of Conference debate. On June 20 he was the guest of the Benchers of Gray's Inn and, in response to the toast of his health by the Lord Chancellor (Lord Birkenhead) spoke in terms of well-ordered thought with the following conclusion as to the Empire's constitution: "We legislate each for ourselves unfettered; we confer together in order better to understand the wider over-riding common interest; we advise through separate Privy Councils a common Sovereign; we have a sense of independence and a sense of unity, and these do not clash; they are in harmony." With the other Prime Ministers he was guest at the Parliamentary dinner in the Royal galleries of the House of Lords on June 24. To him on this occasion: "The War had shown how no country, no continent, might live unto itself. The world once centred around the Mediterranean, then round the Atlantic; its centres of gravity might now be the Pacific; but Britain's interests were world-wide." At the Dominion Day dinner he was, of course, a central figure with speeches, also, from the Duke of Connaught, Hon. L. Athanase David of Quebec, Hon. Hugh Guthrie and Rt. Hon. Srinivasa Sastri. Following this on July 3rd Mr. and Mrs. Meighen visited France to in-

spect the graves of Canadian soldiers in the War cemeteries; on the crest of Vimy Ridge the Premier unveiled a great War Memorial—the Cross of Sacrifice—and delivered an eloquent address.

Mr. Meighen and his wife were guests at a State banquet given by the King and Queen at Buckingham Palace on July 4 in honour of the King and Queen of the Belgians and attended a State ball at the Palace on the 7th; they were at a luncheon given by the Prince of Wales at St. James's Palace on June 29 and at a dinner given by Lord and Lady Byng of Vimy on the 28th; they attended a Government reception at Lancaster House and were the guests of Mr. and Mrs. Lloyd George at Checquers Court on the ensuing week-end (July 9-11); they were given a luncheon by Sir George and Lady Perley at the Ritz Hotel. As Prime Minister of Canada, Mr. Meighen was given the Freedom of London on July 15 amidst scenes of traditional pomp and ceremony and Mr. and Mrs. Meighen were afterwards entertained at luncheon by the Lord Mayor at the Mansion House; on the 18th the Premier was given the Freedom of the City of Edinburgh and made an Hon. LL.D. of the University. In some farewell words to the press on July 30 Mr. Meighen said: "I shall go home satisfied with the trend of events generally and with the progress made. We did not all come to London with the same views, and we may not have the same views yet, but common objects were sought and common ground was found. I have been impressed with the fair disposition of British statesmen toward the opinion of Dominion Ministers, and with the spirit of unity and equality that was manifest in all discussions."

As to the rest, it may be stated that the British press was very eulogistic of the personality and speeches of Mr. Meighen; that it recognized the Conference as a very important gathering; that Newfoundland was not represented owing to the inability of its Premier, Sir R. A. Squires, to attend. In the British Commons on Aug. 18 Mr. Lloyd George discussed the decision against having a Constitutional Conference: "We decided that it was better not to enter into definitions, not to lay down rules. The Empire has grown, developed, consolidated in a way which nothing could make possible but the gigantic events which, in testing it, were bound either to break it or to solidify it. The thing that matters is as frequent Conferences as time and distance will permit." With this view, Sir Robert Borden in Canada did not quite agree and in his Marfleet lecture at Toronto University (Oct. 7) said: "The Foreign policy of the Empire remains under the same direction and influence as before the War, and that is not what we intended should be the case when we took our stand in 1917; it is imperative that old conditions should not go on."

Congress of Empire Universities; Imperial Teachers' Conference; Rhodes Scholars of the Year.

The Empire Universities' meeting was the second of a series; the first was held in London in 1912 and resulted in the formation of an Imperial Universities Bureau and the decision to meet once in every five years. As with many other things, the War prevented the 1917 gathering; the Congress was finally convened at Oxford for July 5-9, 1921. There was an attendance of 400 delegates and every part of the Empire was represented together with 58 out of its 59 Universities. Prior to and after the meeting an itinerary of British travel was arranged for the visitors with a view to their seeing every University in the British Isles. Commencing this tour on June 25, they visited the Welsh and Irish Universities, reaching Oxford on July 5. After the Congress they proceeded for a three-days' visit to Cambridge and then took up their time until July 20 in being received and entertained at the Scottish and English provincial Universities.

At the Congress itself the opening ceremonies in Oxford were presided over by the Marquess Curzon of Kedleston, K.G., and the ensuing Sessions had, as presiding officers, the following notable men in the public life of Britain: Rt. Hon. A. J. Balfour, Chancellor of the Universities of Cambridge and Edinburgh; Viscount Haldane, K.T., O.M., Chancellor of the University of Bristol; Marquess of Crewe, K.G., Chancellor of the University of Sheffield; Earl of Shaftesbury, K.P., Chancellor of Queen's University, Belfast; Lord Balfour of Burleigh, Chancellor of the University of St. Andrews;* Lord Robert Cecil, M.P., Chancellor of the University of Birmingham; Lord Kenyon, K.C.V.O., Chancellor of the University of Wales. Some of the subjects discussed were (1) Universities and the Balance of Studies—including the place of Humanities, of Physical and Natural Science, and of Specialism in the Curricula; Universities and the Teaching of Civics, Politics and Social Economics; Universities and Secondary Education; Universities and Adult Education; Universities and Technological Education; Universities and Training for Commerce, Industry and Administration; Universities and the Training of School Teachers; University Finances; Universities and Research; Interchange of Teachers and Students; Provision of temporary junior posts for graduates of Colonial and Foreign Universities; How to raise funds to make a Trust for the promotion of migration of Students. The official list of Canadian delegates was large and representative of the best culture of the Dominion:

University	Name	Officer
Alberta	H. Marshall Tory	President of University
Alberta	D. A. MacGibbon	Professor of Economics
British Columbia	L. S. Klinck	President of University
Dalhousie	A. Stanley Mackenzie	President of University
British Columbia	R. W. Brock	Professor of Geology
Dalhousie	D. A. MacRae	Dean of the Faculty of Law

*Note.—Lord Balfour died suddenly on the very day he was to have presided at this meeting.

University	Name	Officer
Dalhousie	D. Fraser Harris	Professor of Physiology
Dalhousie	H. L. Bronson Munro	Professor of Physics
Laval	L. St. Laurent	Professor of the History of Law
Laval	J. Gravel	Professor agrégé, Faculty of Law
Laval	A. Vachon	Professor of Geology
McGill	Sir Arthur W. Currie	Principal and Vice-Chancellor
McGill	F. D. Adams	Dean of the Faculty of Applied Science
McGill	H. S. Birkett	Dean of the Faculty of Medicine
McGill	W. Caldwell	Professor of Moral Philosophy
Manitoba	A. H. R. Buller	Professor of Botany
Manitoba	A. B. Clark	Professor of Political Economy
Manitoba	W. F. Osborne	Professor of French
Manitoba	H. P. Armes	Assistant Professor of Chemistry
Montreal	Canon E. Chartier	Vice-Rector
Montreal	E. Montpetit	President, School of Social Economics
Montreal	L. de Lotbiniére-Harwood	Dean of the Medical Faculty
Montreal	E. St. Jacques	Professor of Clinical Surgery
Mount Allison	W. M. Tweedie	Professor of English Language
Monut Allison	Hon. A. S. White	The Supreme Court of New Brunswick
Mount Allison	Rev. J. Line	Professor of Systematic Theology
New Brunswick	E. L. Harvey	Professor of Modern History
New Brunswick	H. S. Stone	
Queen's	Rev. R. Bruce Taylor	Principal and Vice-Chancellor
Queen's	J. L. Morison	Professor of History
Saskatchewan	W. C. Murray	President of University
Saskatchewan	W. S. Lindsay	Professor of Bacteriology
Saskatchewan	J. A. MacDonald	Professor of French
Saskatchewan	Rev. G. F. R. Trench	Principal of Emmanuel College
St. Francis Xavier	Rev. J. J. Tompkins	Vice-President of University
Toronto	Sir Robert A. Falconer	President of University
Toronto	J. A. Dale	Professor of Social Science
Toronto	J. J. R. MacLeod	Professor of Physiology
Toronto	J. C. McLennan	Professor of Physics
Victoria, Toronto	Pelham Edgar	Professor of English

Some of the more notable British and Empire delegates were: Sir George Adam Smith, Aberdeen; Sir Samuel Dill, Belfast; Sir Wm. Ashley, Birmingham; Sir D. P. Sarvadhikari, Benares; Sir Isambard Owen, Bristol; the Most Rev. Dr. J. H. Bernard, Dublin; F. B. Jevons, Durham; Sir Richard Lodge, Edinburgh; Sir Donald MacAlister, Glasgow; Sir C. Sankaran Nair, Madras; Sir Henry A. Miers, Manchester; Sir Robert Stout, Wellington, N.Z.; J. H. Hofmeyr, Johannesburg.

Incidents of the Session included a description by Prof. E. Montpetit of how the University of Montreal had organized a School of Social Economics where those who had received classical culture could prepare themselves for public life; the conferring of the Hon. degree of D.C.L. upon Sir Robert Falconer, President of Toronto University, Sir Robert Stout, Chancellor of the University of New Zealand, and Sir Nilratan Sincar, Vice-Chancellor of the University of Calcutta; a skirmish, with University commercial courses as the theme, led by Sir Theodore Morison of Armstrong College, Newcastle, and a vigorous defence of such courses from some of the Canadian delegates; an attack by Dr. J. George Adami, Vice-Chancellor of Liverpool University, and so long connected with McGill, upon the alleged Provincialism of Universities supported by the State with a reply from Sir R. Falconer of Toronto, who declared that "Nationalization in Ontario is a success, and the danger of the limitation of academic freedom by the Government is very small," and from Sir Michael Sadler, Vice-Chancellor of Leeds, who supported the Canadian view.

There was a prolonged and important discussion on Research notably shared in by Prof. F. D. Adams of McGill, Sir Ernest Rutherford of Cambridge and formerly of McGill, and Prof. J. J. R. McLeod of Toronto; a speech by Dr. Edouard Montpetit of Montreal, in which he showed the influence on Universities exerted by the industrial revolution of the Nineteenth century and the consequently increased demand for training in science and political economy; the statement of Prof. Caldwell of McGill that modern Universities were inclined to compete with one another for students by offering an endless variety of subjects—with a present tendency in Canada for limitation rather than extension in this direction; an able speech by President H. M. Tory, who led the Conference away from a maze of theory created by preceding speakers and dwelt on the practical measures adopted by his institution to reach the farmers of Alberta by lectures given before various clubs and societies, lantern slides, moving pictures, circulating libraries, "pocket libraries" covering special subjects suitable for debates on current topics, organized courses of reading, shelf libraries on technical subjects and, finally, by a series of Conferences for boys and girls at the close of each year's session; the declaration by Sir Arthur Currie that "there is no room in the present economy of things for a merely ornamental education, that the centre of gravity in the world of human affairs is no longer political, that it is an economic world."

The British Government on July 4 entertained the Delegates, the Chancellors and Rectors of British Universities, and many other members of the Congress at a luncheon at the Savoy Hotel; Mr. Balfour was in the chair and in his speech dealt with the over-crowded condition of the Universities, the increasing popularity since the war of University training, the advantage of an inter-Imperial interchange of both teachers and students; Sir Robert Falconer responded on behalf of the Overseas Delegates. The results of the Congress were excellent. As Dr. Tory pointed out in a review of the meeting: "It brought definitely to the attention of the greatest body of men, interested in higher education, ever assembled from the whole Empire, the essential unity of their work. x x x A spirit of unity and understanding was everywhere apparent. The outstanding differences of 1912 had melted away in the fiery furnace of war, and we all met as old friends interested in a common cause." Its differences were on details of operation, not of principle; it gave a large number of men, representative teachers and administrators an opportunity to become acquainted with each other and with the outlook of the institution which each represented; it greatly stimulated the ideal and work of research. Sir Robert Falconer, on his return to Toronto, after a visit, with many other delegates, to a number of the leading British Universities, told *The Globe* (Sept. 19) that a striking feature of the educational system in England was the large number of bursaries and scholarships

provided by municipalities so that boys of character and brains should not be handicapped by lack of money in securing a good education. Sir Robert, from his personal observations and interviews with leading men, expressed the conviction that England would take its place as the world's centre of Higher Education.

The Imperial Conference of Teachers. The 2nd Conference of Teachers' Associations of the Empire was held at Toronto on Aug. 10-13. Arrangements were in the hand of a Canadian Committee with J. L. Hughes, LL.D., Chairman, D. J. Goggin, D.C.L., Vice-Chairman, H. V. F. Jones, Treasurer, and E. A. Hardy, Secretary. The first Conference had been held in London in 1912 with the War preventing an earlier renewal of the meeting. The League of the Empire had much to do with the Toronto gathering and its Hon. Secretary in England, Mrs. Ord Marshall, C.B.E., was a delegate together with Principal Maurice Hutton, its President in Canada, and Mrs. H. S. Strathy the Hon. Secretary in Canada. The Conference was held in Convocation Hall of Toronto University and was opened on Aug. 10 with an address of welcome by Hon. E. C. Drury, Premier of the Province; the Hon. R. H. Grant, Minister of Education, presided. Amongst the delegates present were:

Rev. A. Moffatt, M.A., B.SC.	Professor of Physical Science	Madras, India
O. H. T. Dudley, M.A.	Inspector of European Schools	Bombay, India
George MacKay	Superintendent of Education	Suva, Fiji
Mrs. A. McMurray	Child Life Protection Society	Cape Town, S.A.
Miss H. R. Anderson	B.C. Teachers' Federation	Vancouver
J. W. Barnett	Alberta Teachers' Alliance	Edmonton
Harry Charlesworth	President, Canadian Teachers' Federation	Victoria
W. S. Fox	Western University	London
H. W. Huntley	Manitoba Teachers' Federation	Winnipeg
Hon. S. J. Latta	Saskatchewan Government	Regina
M. R. Lynds	N.B. Educational Institute	Fredericton
Dr. A. H. MacKay	Superintendent of Education	Halifax
Dr. Geo. W. Parmallee	Deputy Minister of Education	Quebec
Lt.-Col. T. E. Perrett, B.A., O.B.E.	Principal, Provincial Normal School	Regina
Miss H. A. Coates	Ex-President Natal Teachers' Society	Natal, S.A.
Peter Wright	Councillor, University of Wales	Cardiff
James Fairgrieve, M.A.	London Day Training College	London
Prof. J. W. Scott, M.A.	University College of South Wales	Cardiff
M. J. Rendall, M.A.	Winchester College	Winchester
James Dudley	Bombay Education Service	Bombay, India
T. W. Wells, M.A.	New Zealand Education Department	Auckland, N.Z.
J. W. Capes, M.A.	Headmaster of Royal Grammar School	Colchester
W. W. Blackall, B.A., D.C.L.	Superintendent of Education	St. John's
Sir Harry R. Reichel	Vice-Chancellor, University of Wales	Cardiff
Prof. S. G. Dunn	Muir College	Allahabad, India
J. H. Fowler, M.A.	Clifton College	Bristol
Prof. W. M. Bain	University of Bristol	Bristol
C. R. Fay, M.A.	University of Cambridge	Cambridge

Teachers were present from England, Wales, Scotland, Africa, India, Australia, New Zealand, Fiji Islands, Hawaii, Central America, the West Indies and Newfoundland with over 200 registered. The subjects under discussion were varied and wide in scope and included (1) the standardizing of Teachers' Certificates and the interchange of teachers throughout the Empire; (2) further training of teachers already certified; (3) the study of the Geography and History of the Empire; (4) English language and literature; (5) the distinguishing features of Education; (6) the relation between Primary and Secondary Schools

in Canada; (7) the relation of the High Schools and Collegiate institutes to the Universities in Canada; (8) Agricultural education in Canada; (9) Vocational training and the corelation of the work of the school with the activities of life—Rural and Urban; (10) Civics and Education; (11) Health and Education. Such detailed subjects as Domestic Science, Commercial work, Home gardens, Continuation classes, etc., were also discussed.

In respect to the Imperial inter-change of teachers, it was stated that 17 teachers from Canada were teaching in London and that this year the number would be 100 and that the British teachers taking their places were distributed all over Canada. The Empire section of the discussion included the educational work of the League of the Empire, the keeping of Empire Day and other patriotic festivals, questions of immigration and settlement, proposals as to establishment of a Teachers' residential club in London, study of the educational systems of the Empire. Some of the ideas expressed were that it was the University that ultimately determined the character of the education of the country; that Universities should have chairs of Imperial and Colonial History and schools or chairs of Geography; that, also, they should have a recognized and authoritative work for the guidance of teachers in Empire history; that all certificates in all parts of the Empire should be recognized by educational authorities in other parts of the Empire; that teachers in State schools throughout the Empire should have their time counted, when inter-changed, in all other schools throughout the Empire both for previous service and in respect of salaries and superannuation.

Incidents of the Congress included a Dinner by the Toronto Board of Education with John McClelland presiding, who stated that Canada imported $11,000,000 of educational text-books and periodicals from the United States and $113,000 from Great Britain; addresses at various Sessions by Hon. R. S. Thornton, Manitoba Minister of Education, President Bruce Taylor of Queen's University, Dr. G. W. Parmalee of Quebec, Dr. J. H. Putnam, Chief Inspector of Public Schools, Ottawa, Dr. A. H. Mackay, Superintendent of Education in Nova Scotia; the evening meeting of Aug. 10, which was held in the Legislative Chamber, Parliament Buildings, with the Headmaster of one of England's historic public schools in the chair, with London, the great mother city, and the Principality of Wales furnishing the papers, with New Zealand, Africa and India following in the discussion and with every Province in Canada represented in the audience; the conferring of an Hon. LL.D. by the University of Toronto upon Sir H. R. Reichel, Principal of University College of North Wales, M. J. Rendall, B.A., Headmaster of Winchester College, B. M. Allen, B.A., Deputy Education Officer, London County Council, and Rev. A. Moffat, M.A., B.SC., F.R.S., etc., Professor of Physical Science, Madras Christian College.

The Conference ended on Aug. 13 with every evidence of good work done and results realized. The University of Toronto had been generous in its hospitality and the setting for the meeting was an ideal one; the Provincial Government gave generous support and the teachers of Toronto had given much help in detail. As to the gathering itself, one who was present declared that "the Canadians got many new ideas about education in England, and many personal chats with English teachers clarified their conceptions about English schools and school systems. The Scottish teachers had a fine story to tell of recent progress in their country. The Welsh group gave further contributions to the general knowledge of progress in education." Socially, the intercourse was genial, friendly, useful; from an Imperial standpoint it was fraternal, educative, at times inspiring. During or following the meeting there were excursions to Niagara Falls, to the Ontario Agricultural College at Guelph, through the great fruit districts of Niagara, to the Muskoka Lakes in the Highlands of Ontario, and to other points of interest.

The Rhodes Scholars of 1920-21. During 1921 the place and influence of this educational institution increased somewhat in importance. In the earlier stages it was claimed by critics that the men chosen were not of sufficiently high quality, that there were too many athletes and too few scholars, and that the scholars did not accomplish anything noteworthy at Oxford. If true at first this criticism latterly did not hold good. Early in the year Prof. R. W. Burgess of Brown University, R.I., published a statement as to the 8 groups of American scholars sent to Oxford from 1904 to 1914, inclusive—about 300 men in all—and was complimentary in his conclusions. The average of the men was good and practically all took the Honour courses. As to the Empire, the Scholarships had brought to Oxford a steady stream of students from Canada, Australia and South Africa. These students had held their own on the class lists of every College, and more than held their own on the playing fields and the river.

The effect of this influx of young men from the Dominions upon Oxford itself was very great and obviously meant a widening of the mental horizon of British-born students. Oxford, in fact, became a great meeting place of the youth of the Empire. Canadian Universities continued to take keen interest in the matter and a very fine type of student went over in later years. There was a temporary increase in the stipends at this time from £300 to £350; a little later a change was effected in the constitution of Committees of selection for Rhodes scholars. Hitherto the local Selection Committees in Canada and other British Dominions and the United States were composed of leading citizens in educational, professional and business life; henceforth these Committees were to consist almost exclusively of ex-Rhodes scholars. This change was the result of conclusions reached by

Sir George R. Parkin, Chairman of the Rhodes Trust, after visits to Canada and the United States prior to his retirement in 1920.

In making appointments Committees were instructed to regard the qualities originally mentioned by Mr. Rhodes as to (1) force of character, devotion to duty, courage, sympathy, capacity for leadership; (2) ability and scholastic attainments; (3) physical vigour as shown by participation in games or other ways. Following were the Canadian conditions of eligibility: (1) Candidates must be British subjects with at least 5 years' domicile in Canada and be unmarried—they must have passed their 19th but not their 25th birthday on Oct. 1st of the year for which they were elected; (2) candidates must be at least in their sophomore year at some recognized University of Canada granting degrees and, if elected, complete the work of that year before coming into residence at Oxford; (3) candidates could compete either in the Province in which they had their ordinary private domicile or in the province in which they had acquired any considerable part of their educational qualification. It may be added that the Rhodes' Trust statement for the year 1920-21 showed that 120 Rhodes scholars took up their scholarships at Oxford for the first time during the year. The number actually in residence for either the whole or some part of the year was 277, including 148 from the British Empire and 129 from the United States of America. The academic year, 1921-22, began with 295 Rhodes scholars in residence, together with seven ex-Scholars. The following were the Canadian selections in 1921:

Quebec	Lawrence H. Armstrong	McGill University
Alberta	Perry Hamilton	Alberta University
Nova Scotia	John Alex. Dunlop	Dalhousie University
Ontario	John Lowe, B.A.	Toronto University
New Brunswick	Joseph W. Sears	University of New Brunswick
Manitoba	Graham Spry	University of Manitoba
British Columbia	Lester W. McLennan	University of British Columbia
Saskatchewan	Kenneth A. Hamilton	University of Saskatchewan

The Empire Veterans' Conference of 1921 and Other Imperial Meetings

The first Conference of British Empire War Veterans, or ex-Service men, was held in this year at Cape Town, South Africa; it opened on Feb. 23 with delegates present from all parts of the Empire and F. M. Earl Haig as the most notable guest and speaker. At the Convention 10 important Associations of returned soldiers were represented as follows: League of Comrades, South Africa; League of Returned Soldiers and Sailors, Transvaal; Officers' Association, United Kingdom and South Africa; Comrades of the Great War, United Kingdom; Returned Soldiers' and Sailors' Imperial League, Australia; G. W. V. A. and Army and Navy Veterans, Canada; Comrades of the Great War, Rhodesia; Returned Soldiers' Association, New Zealand. R. B. Maxwell, President of the Great War Veterans' Association, and T. Morgan of the Army and Navy Veterans of Canada, were the Canadian representatives.

Amongst the countries represented were Rhodesia, Transvaal, New Zealand, Australia, South African Union, Canada, Natal and Great Britain; General Sir H. T. Lukin was Chairman and, in addition to Lord Haig, there were speeches from General Smuts, Premier of South Africa, Sir Frederic de Waal, Administrator of the Cape Province, and W. C. Gardiner, Mayor of Cape Town. General Smuts made the following statement to the Conference: "Here we have a Prime Minister who is a returned soldier, a Minister of Finance, who is a returned soldier. Most of the officials of the South African Government who deal with questions affecting returned soldiers, are themselves returned soldiers. Therefore, it is only to be expected that a feeling of sympathy, a spirit of comradeship, should exist between Governmental authorities and the soldiers all through South Africa." In his speech, Lord Haig reviewed the deeds of South African soldiers in the World-War and stated that this Conference was the first open acknowledgment of the bond that united all who served the Empire in that struggle, and was the first step in the formation of an Empire League which would link all ex-Service men together, preserve amongst them the spirit of comradeship and guarantee the maintenance of the high ideals for which they had all fought.

The chief subjects of discussion were (1) consideration of the best means for helping the returned soldier and sailor; (2) measures to bring about a closer union of ex-Service men's Associations in the Empire; (3) to advise ways and means of continuing the bonds of Comradeship which were established through and by the War. One of the chief things done was the organization of the British Empire Service League with H.R.H. the Prince of Wales as Patron and F. M. Lord Haig as the first Grand President; the next Conference was arranged for Australia in 1923. The Resolutions passed included (1) a declaration that the Conference viewed with alarm and concern the large number of unemployed soldiers in various parts of the Empire, and called for immediate fulfilment of the pledges given to the men serving during the War; (2) the hope that unemployment of ex-Service men would be earnestly considered by the Imperial Conference; (3) the statement that "the Dominions represented at this Conference welcome the immigration of ex-Service men from the Mother Country, but are opposed to unregulated immigration." The Conference went on record as opposed to war in principle but as in favour of adequate defence arrangements for the British Empire; the League of Nations also was endorsed.

Following the Conference R. B. Maxwell of the G. W. V. A. of Canada made a 10-day tour in South Africa addressing local bodies of returned men and explaining to them the operation of Veterans' legislation regarding pensions, etc., in Canada. On his return to Ottawa Mr. Maxwell told the local press that the new League should be one of the strongest moral forces in the world.

At the following annual Convention of the G. W. V. A. at Port Arthur (Oct. 20) it was decided to join the League and, as a preliminary, to try and federate all Service organizations in Canada. Speaking of the Conference and the League on his return to England, Lord Haig told *The Times* (May 27) that: "The Conference was brought about on the initiative of the rank and file. That is the wonderful point and throughout the meeting there was not one discordant note. All the decisions were arrived at unanimously. x x x The one stable element throughout the Empire is the ex-Service man—the man who gave his all and suffered more than anyone else, and who fought simply for his country and for freedom. To-day throughout the Empire you have a stable element represented by the British Empire Service League. I think that is going to count for a great deal in the future to the many peoples who go to make up the British Empire." There was a State-Aided Empire Settlement Conference held in London during January and February at which Canada was represented by Sir George Perley and J. Obed Smith, Dominion Immigration Commissioner. Elaborate proposals were considered and approved for presentation to the Imperial Conference of 1921 with the following bases:

1. His Majesty's Government to co-operate with the Oversea Governments in a comprehensive policy of Empire land settlement, and Empire-directed migration, extending over a period of years, and to this end to contribute up to a maximum of £2,000,000 a year, in any year, in respect of schemes of land settlement, assisted passages, and such other kindred schemes as may commend themselves to the Governments concerned.
2. The assistance to land settlement to take the form of advances to settlers up to a maximum of £300 a settler, the advances to be made through the Oversea Governments concerned or through specially approved private organizations, and repayments collected by them.
3. His Majesty's Government to assign normally about half its total contribution, viz.: about £1,000,000, to land settlement—the amount for the financial years 1921-22 and 1922-23 probably not exceeding £750,000.
4. His Majesty's Government to assign the balance of its contribution to assisted passages, including, if necessary, outfit and landing money allowances.
5. If any Dominion would prefer, in lieu of a joint contribution to assist passages, some alternative scheme for the assistance of settlers generally or for land settlement, His Majesty's Government to consider the allocation to such scheme of the amount it would otherwise have contributed to assisted passages in respect of settlers proceeding to that Dominion.
6. All settlers receiving assistance under any of the above schemes to be subject to selection and approval by His Majesty's Government and by the Government of the Dominion concerned. Preference to be given, as far as may be possible, to ex-Service men.
7. As a part of this general scheme of co-operation, the Dominion Governments to make special arrangements for the reception, distribution, and initial supervision of British settlers who should, as far as conditions permit, be given preferential treatment over foreign immigrants.

The Imperial Conference passed a Resolution declaring these proposals sound in principle. Steps were taken during the year to carry on the work of the Imperial Forestry Conference of

1920 by the establishment and incorporation by Royal Charter of the Empire Forestry Association. The objects of the Association were defined as (a) to foster public interest in Forestry throughout the Empire; (b) to secure general recognition of the dependence of timber supply upon Forest management; (c) to collect and circulate information relating to Forestry and the commercial utilization of forest products; (d) to form a centre for Forest officers and all engaged in Forestry, and (e) to provide a means of communication between all concerned. The affairs of the Association were to be directed by a Governing Council and an Executive Committee, the latter composed of representatives of the United Kingdom, Australia, Canada, Newfoundland, New Zealand, South Africa, India and the Crown Colonies and Protectorates. The Chairman of the Governing Council and the Executive Committee was Viscount Novar (Sir R. Munro-Ferguson) lately Governor-General of Australia, and the members of the Executive Committee included H. E. the Duke of Devonshire and Robson Black, Secretary of the Canadian Forestry Association for Canada, and Sir Mayson Beeton for Newfoundland.

Another gathering of interest was the Anglo-American Conference of Professors of History, in London on July 11-17, with Great Britain, Canada, and the United States represented. The meetings were held in the Institute of Historical Research recently founded by the University of London, under whose auspices, and by whose invitation, the Conference was held. Canadian Universities sent Professors J. L. Morison and A. E. Prince of Queen's University and Prof. R. Flenley of the University of Toronto; all the chief British universities were represented and amongst the Americans were Yale, Columbia, Wisconsin, etc. The general aim was to secure, if possible, better contact and increased co-ordination of effort between historical scholars and University teachers on this continent and in Great Britain. The opening address was by Rt. Hon. H. A. L. Fisher, Minister of Education, and a notable visitor was Cardinal Gasquet from Rome. The Conference, itself, bore witness to the desire for such co-operation and its benefits; an obvious advantage was the informal meeting and exchange of views by Professors of History from so many widely-scattered Universities. A joint Anglo-American Committee was appointed before the end of the Conference to try and translate into effect the general desire for closer co-operation in the study of identical or kindred subjects in Britain, Canada, the Empire generally, and the United States—whether it might be United States or Imperial history, Naval, Military, or Diplomatic records. There was a general recognition of the inter-dependence of historical scholarship in practically all fields of historical work, and of the common service rendered by publications of such institutions as the British Record Office, the Carnegie Institute at Washington, and the Dominion Archives in Ottawa.

Appeals to the Privy Council; Arguments for and Against Abolition.

This question was academically discussed in 1920 and 1921—though not in any wide or popular degree. The leading barristers and lawyers were in favour of maintaining the Appeal; most of those termed Imperialists were inclined to consider it as an important link in Empire connection; Quebec and its public men supported it because the appeal was regarded as an element of protection to Provincial rights; there was a section of the press and politicians who urged its abrogation along alleged lines of National right and full self-government. The Ontario Bar Association (1920) declared in favour of its maintenance as did Horace J. Gagne, K.C., who represented the Bar of Quebec at this meeting, and the Montreal *Gazette* strongly backed up the contention; Sir Allen Aylesworth, Hon. W. R. Riddell and Mr. Justice A. C. Galt were of the same view as were the *Canada Law Journal* and the *Canadian Law Times*. On the other side were John S. Ewart, K.C., and Hon. W. E. Raney, Attorney-General of Ontario; the latter in his speech proposing abolition of the appeal in Ontario, quoted Eugene Lafleur, K.C., and Aimé Geoffrion, K.C., leaders of the Quebec bar, as in favour of his viewpoint. Mr. Raney presented to the Legislature, in 1920, but afterwards withdrew, a Bill of which the chief clause was as follows:

> Notwithstanding any Royal prerogative or anything contained in the Interpretation Act or any other Act, no appeal shall lie from any judgment, decision or order of the Supreme Court of Ontario, or of any other Court, or of any person, board, Commission or body, exercising Judicial authority, in any action or other proceeding brought, had, or taken in, as before any such Court, person, Board, Commission or body, to any Court of appeal or authority by which, in the United Kingdom, appeals or petitions to His Majesty-in-Council may be heard, and the authority of the Judicial Committee of His Majesty's Privy Council to grant leave to an appeal from any such judgment, decision or order and the prerogative of His Majesty to hear such appeals are hereby abrogated.

The right to abrogate the King's prerogative was said by legal journals to be a rather extreme assumption for a Provincial Legislature; there was a good deal of legal opposition to the Bill, led by J. Murray Clark, K.C., and, for the time being, it was withdrawn. During the discussion a statement by Sir Allen Aylesworth, when Dominion Minister of Justice, was quoted: "The appeal to the Judicial Committee rests on prerogative. It is literally and in essence a petition and appeal to the Throne itself. Under our system the King is not only the fountain of justice, but literally the head of the judicial system. Judges in Canada, as much as anywhere else in the British Empire, are the King's judges, the King's delegates, substitutes to do for him the judicial work which it is impossible that the King, as head of the State, could perform." The Toronto *Globe*, the *Farmer's Sun*, the Manitoba *Free Press*, Lindsay Crawford's *Statesman*, urged abolition of the Appeal at this time.

The Attorney-General of Ontario (Mr. Raney) in proposing abolition of Provincial appeals to the Judicial Committee, wanted, however, a reconstitution of the Privy Council into a sort of Court of British Nations—though details of the plan were not given; W. L. Grant, M.A., Headmaster of Upper Canada, expressed opposition to the Appeal system early in 1921; the Manitoba *Free Press* of Sept. 12 declared that "the elucidation of Canadian-made law by Canadian judges, the interpretation of Canadian contracts by Canadian courts—the propriety of this is now so obvious that we may look for a limitation of appeals, perhaps, by the voluntary action of the Judicial Committee itself." Prof. G. M. Wrong of Toronto University (Dec. 11) expressed his belief that sooner or later appeal to the Privy Council would go and Canadian courts would deliver final judgment in all matters; he believed, however, that in the past the Privy Council appeal had served a purpose beneficial to Canada.

On the other hand the Montreal *Journal of Commerce* (of which Hon. W. S. Fielding was Editor-in-Chief) declared on Feb. 1st, 1921, that "there is no widespread dissatisfaction, and certainly not sufficient ground to justify any urgent demand for the abolition of the appeal to London." Edward Anderson, K.C., President of the Manitoba Bar Association, stated on Feb. 11 in the Toronto *Financial Post* that: "We, as Canadians, are proud of the fact that the source and inspiration of our laws is England. What then can be the objection of submitting, if we choose to do so, our important disputes to that Court for final adjudication? There is much to be said in favour of placing a reasonable limit to the right of appeal. It may well be that the right is too wide, and that only cases involving large amounts, or very important principles, should be taken there. That, however, is quite a different matter from abolishing the right. The fact should not be lost sight of that the Privy Council is a court of last resort for all parts of the Empire, that it is in no sense an English Court of Appeal, (English, Scotch and Irish appeals go to the House of Lords), and that Canada is represented on the Judicial Committee of the Privy Council."

Following the important decision in the Despatie-Tremblay marriage case the Montreal *Star* (Feb. 16) pointed out that the reception accorded this decision, in a case involving acutely controversial religious, and Provincial and National issues, could hardly have been paralleled had that case been decided by a Canadian tribunal: "Without any loss of respect for the Bench in Canada, we can realize the impossibility of securing within our boundaries the same assurance of detached impartiality as remains available in the Privy Council. Indeed, it is apparent that one of the concrete advantages in Canada's partnership in the British Empire is this right to have legal deadlocks unravelled under circumstances calculated to give the widest measure of confidence." Following the statement in a Toronto speech (June 9) by Hon. L. A. Taschereau, Premier of Quebec,

as to the value of this Appeal system to Canadians, the *Star* enlarged upon the point on June 10: "It (the Privy Council) is a priceless safety-valve when super-heated sectional passion gets up a dangerous head of steam on both sides and every Canadian —no matter how highly placed—is 'suspect' as being allied to one party or the other."

Prof. W. F. Osborne, M.A., of Manitoba University, put the matter as follows on Apr. 3rd: "Cutting off the appeal to the Privy Council, on Canada's own initiative without consulting the other Dominions, would be a blow to the principle of comradeship and solidarity which is essential for the maintenance of the British Empire." The whole situation was reviewed by Lord Birkenhead, British Lord Chancellor, at a London dinner on Feb. 14. He pointed out that in the last two years he had been concerned in many important Canadian appeals to the Judicial Committee; he testified to the high judicial qualifications of Mr. Justice L. P. Duff of Canada as having been a source of extraordinary strength to the tribunal. Continuing, the Lord Chancellor said: "You know a great variety of judicial affairs are discharged by that Committee in an unpretentious room in Downing Street. We try questions from South Africa which are determined by the common Dutch law which still retains so many of its variations upon the Roman law. We deal with Canadian appeals bearing on the construction of the Code Napoleon and making it necessary to explore the whole atmosphere with which French law is encrusted. And we deal with that vast congeries of legal interpretations which is described as the law of India." As to the rest: "I hope that this jurisdiction, safeguarded in any way that may be desired, will survive. I desire it for the reason that the great Dominion, with an illimitable and incalculable future should still be associated at its very heart with the foundations of our common law from which it has drawn so much of its present strength."

The British Cattle Embargo Issue; Report of the British Royal Commission.

This question during 1921 was accentuated by the pending exclusion of Canadian cattle from United States markets; in Great Britain it was a difficult one to deal with as removal in the case of Canada would be a precedent leading to demands from many other countries. While the Canadian farmer—particularly in the West—earnestly desired removal of the Embargo the British Government had to consider the sometimes conflicting interests of its own farmers, graziers, meat-traders, shippers and consumers. Opponents of removal in Great Britain claimed that (1) Canadian cattle could contract disease on their long and exhaustive journey to British farms; (2) open ports to Canadian cattle would stimulate imports of cattle from Canada through the United States, which was not immune from foot and mouth and other diseases, and where the varying administration of these matters by many States made effective regulation a most difficult

affair; (3) diplomatically, it would be most awkward to open ports to one country and close them to others, for instance, the United States and countries of Northern Europe where disease was rampant; (4) the number of live cattle which Canada offered was about 3 per cent. of Britain's total requirements and it would, at best, and for years to come, be a very small addition to existing British supplies; (5) the effect might be to impede British home production and actually help its meat supplies to fall into the hands of foreign trusts.

It had been pretty well admitted by this time that the Embargo was not retained because of disease in Canadian cattle. Mr. Prothero (afterwards Lord Ernle) as President of the Board of Agriculture, admitted this at the Imperial Conference on Apr. 26, 1917; *The Times* of July 28, 1919, stated that the Board had decided that "the bar to the importation of Canadian store cattle can no longer be maintained on the ground of health"; on Jan. 12, 1921, Lord Lee of Fareham, as Minister of Agriculture, stated to a Deputation that "the Ministry had publicly endorsed the clean bill of health to which Canadian cattle were entitled." But he added: "So far as the representations to the Ministry from responsible agricultural bodies are concerned, the agricultural interest of England and Wales is overwhelmingly against the removal of the Embargo; the Agricultural Advisory Committee of England and Wales, a statutory body appointed to advise the Minister, has unanimously passed a Resolution urging that no alteration be made in existing legislation—which prohibits the importation of live animals into this country except for slaughter at the ports." At this time, also, the National Executive of the Irish Farmers' Union passed a similar Resolution.

Shortly afterwards Lord Lee resigned and his successor, Sir A. Griffith-Boscawen, expressed the same views and, in his bye-election at Dudley, the question was made a distinct issue; Lord Beaverbrook and his journals took up the matter and fought the new Minister vigorously with "cheap meat" as the slogan; on Mch. 3rd, 1921, the Labour candidate was elected over the Minister by 10,244 to 9,968. On Mch. 8 Mr. Doherty, Ontario Minister of Agriculture, spoke at a London meeting with Lord Beaverbrook, James Wilson, the new M.P. for Dudley, and Arthur Henderson, the Labour leader, against the Embargo and the Government's policy. Meantime, the Lord Mayor of London had called a National Conference to consider the question and it was held at the Guildhall on Mch. 9; a Resolution in favour of removing the Embargo was presented, supported by Hon. Manning Doherty, opposed by the Marquess of Crewe and Colonel Pretyman, M.P., and carried by a large majority.

On May 2nd it was announced in the British Commons that a Royal Commission on the Importation of Store Cattle had been appointed and that the following were to be members: Lord Finlay (Chairman), Lord Chancellor in 1916-18; Lord Askwith,

Chief Industrial Commissioner 1911-19; Sir Algernon Firth, President of the United Kingdom Chambers of Commerce in 1912-18; Sir Harry Peat, a Chartered Accountant, and Sir Arthur Shipley, Vice-Chancellor of Cambridge University. The terms of reference were as follows: "To enquire into the admission into the United Kingdom of live-stock for purposes other than immediate slaughter at the ports; whether such action would increase and cheapen the meat supply of the country and, if so, to what extent; and whether it is advisable, having regard to the necessity of protecting live-stock bred in the country from the introduction of disease, and of restoring their numbers after the losses to which they were subjected during the War."

Amongst the witnesses during the next three months were Sir Daniel Hall, Chief Scientific adviser to the Department of Agriculture, who opposed removal of the Embargo and would not admit that Lord Ernle had given any definite pledge in that respect; Sir Robert Greig, Commissioner of the Board of Agriculture in Scotland, who held that the balance of advantage was in favour of the importation of store cattle; Hon. Duncan Marshall, Minister of Agriculture, Alberta, and Hon. Manning Doherty, Minister of Agriculture, Ontario, who urged the abrogation and presented Canadian reasons—chiefly that of health—for this action; Hon. Dr. Tolmie, Dominion Minister of Agriculture, who quoted considerations of economic advantage to Great Britain in an increased Canadian output and shipment, a larger and cheaper supply of home-killed beef, the provision of more work for British labour, an increased domestic supply of leather, a larger supply of the cheaper meats, an increased demand from Canada for pure-bred stock; Lord Morris of Newfoundland, who urged abrogation as an aid to Empire development and J. B. Guild, who opposed removal of the Embargo on the ground that it would give greater power to United States meat trusts through the dumping of Canadian cattle in England; Lord Ernle who defended his 1917 utterance as made because of the possible continuance of the Submarine menace; the Duke of Westminster, who supported abrogation because of a greater probable trade in pedigree cattle, a clean bill of health in Canada and mutual betterment; Lord Chaplin, one-time Minister of Agriculture, who declared that removal of the Embargo would be a serious disaster to British breeding and to the home cattle industry.

The Report of the Commission was made public on Sept. 15. It had sat from May 30 to July 6 with 25 sittings and the examination of 92 witnesses. The Report stated that all ports of Ireland had wired disapproval of any change in the Embargo; that 200,000 head, or about 8 per cent. of the total import, would be the probable measure of supply from Canada; that, upon the whole, this importation might effect a slight reduction in the price of meat. The Commission referred to the "very

clear and able statement" of Hon. Dr. Tolmie and declared that on the question of the withdrawal, in 1892, of permission to import live Canadian cattel there seemed to be every reason to believe that those examined were not suffering from pleuro-pneumonia at all, but from some affection with similar symptoms: "It is further established in our opinion that for the last 30 years no cattle plague disease has existed in Canada. We had a great deal of evidence concerning the health of Canadian cattle. In our opinion it is established that they are healthier than the Irish cattle and indeed healthier than the British cattle." Other conclusions were as follows:

1. That the importation of Canadian stores would tend to satisfy in some measure the increasing demand for fresh home-fed meat.
2. That such admission is advisable, as providing another source for supply of stores (store cattle) for the purpose of scientific agriculture, with a consequent increase of the food supply.
3. That there is no substantial ground for the apprehension that such admission would introduce disease among the cattle in this country.
4. That such admission would not interfere with, but would tend to promote the restoration and, indeed, the increase of the numbers of live-stock in this country after any losses sustained during or since the War.
5. That the introduction of Canadian cattle would not have any prejudicial effect upon the milk supply of this country, but would, on the contrary, tend to its advantage.
6. That there is a general feeling among English farmers against the admission of Canadian stores. So far as this is created by the apprehension that disease may be thereby introduced, we consider it unfounded.
7. That the admission of Canadian stores might make it difficult for crofters and small farmers in the Highlands to carry on their farming operations successfully owing to competition with them in the market for the sale of stores.
8. That the admission of Canadian stores might to some extent deprive the Irish farmers of the market which they at present enjoy in Great Britain for their stores.

On Nov. 14, following, a Delegation waited upon the British Minister of Agriculture and urged removal of the Embargo. Sir A. Griffith-Boscawen pointed out that legislation was necessary to effect such action and the Irish question at this moment left no time for new policies; there was also extensive opposition against such action; he would present the whole matter impartially to the Cabinet. Speaking on Dec. 1st the Minister stated that he was, personally, opposed to removal of the Embargo against Canada and other countries: "What is the good of my scheme for improving the quality of stock if foreign cattle can be imported without test or guarantee." On Nov. 22 the Council of Agriculture for England, by 49 to 11, urged the Government to retain the Embargo.

Meanwhile there had been continuous discussion of the matter in Canada. The three Ministers who visited England were outspoken in Canada upon the subject; the Export trade in Canadian cattle was almost wholly with the United States—in 1919 it was 500,216 head to the United States out of a total of 515,525 and, in 1920, 308,562 head out of 311,496—and it was

menaced by the United States legislation which later became law; Mr. Marshall of Alberta pointed out in the *Farmer's Sun* of Jan. 15 that it would not pay the Canadian farmer to fatten his steers at home when he had no market after they were so fitted, except the Canadian packer who bought on a speculative chance of selling chilled beef in Britain. At the Dominion Shorthorn Breeders' meeting in Toronto on Feb. 8 a Resolution strongly urged the Dominion Government to make every effort for the removal of the British Embargo; in the Ontario Legislature on Feb. 25 there was a vigorous attack by Liberal and Conservative speakers upon the Minister of Agriculture for his proposed visit to England and intervention, as they put it, in British politics, with Mr. Premier Drury's reply that an alternative market was becoming essential; the Quebec Legislative Assembly unanimously endorsed the demand for repeal of the Embargo as did that of Manitoba.

In the Commons on Mch. 9 and 11 a discussion took place, on motion of William Smith, declaring that: "It would not be in the best interests of Canada should the Government of Great Britain remove the Embargo upon cattle going into the United Kingdom." He pointed out that the Embargo imposed by Great Britain included cattle from all other countries as well as Canada, and was put on for the purpose of satisfying, particularly, the Irish people who sent 924,000 cattle across the channel to England, at a value of £30,000,000." He believed that Canada should feed and slaughter its own cattle: "The Government should build an abattoir at Halifax, which is, perhaps, 24 hours nearer Great Britain than any other Canadian port; our cattle could be slaughtered there and the meat should be chilled, not frozen, and sent across. x x x Our cattle would then be fed in Canada; it would be our grass, our corn, our grain, and our labour." The debate covered a wide range and included many speakers; there was great objection expressed to interference in British politics.

Finally an amendment by Dr. Steele was carried unanimously as follows: "This House approves and supports the policy of the Government and of previous Governments of Canada in protesting against the implication of disease in Canadian cattle by reason of the maintenance of the Embargo thereon by the British Government." During this month the Stock Growers' Association of Western Canada issued a statement in which it was alleged to be useless to fatten cattle under present conditions and export them for immediate slaughter; that the finishing of cattle was a business belonging to a developed country, and not one in the early stages; that there were not men in Western Canada, in sufficiently large numbers, who understood cattle-feeding and were equipped for doing that kind of work. Feeder cattle, originating in Western Canada, would, it was claimed, be able to endure the hardships of the long journey

with much less deterioration and shrinkage than would stall-fed animals.

Meantime the Dominion Government had taken exception to the action of the Ontario Government in sending Mr. Doherty to England in this connection. Mr. Drury contended that his Minister's action, late in 1920, had been effective in stirring up a movement in England against the Embargo and warranted his further visit and renewed activities. Mr. Premier Meighen responded (Jan. 15) that: "It seems to me scarcely a proper function on our part to initiate or engage in propaganda work among the British people in opposition to the course pursued by the British Government. Similar activity in Canada on the part of the British authorities would, I fear, be universally resented here." In any case, he claimed, the request for removal had always come from the Federal authorities; it was their sphere and was not a Provincial one. As to this Mr. Doherty declared (*Farmer's Sun* May 14) that as a result of his action: "The Embargo has received more public and private discussion and consideration in the British Isles in the last four months than in the previous 20 years. The British Government has taken official cognizance of this public interest by the appointment of a Commission and has, moreover, given the subject a prominent place on the agenda of the approaching Imperial Conference."

Mr. Marshall, the Alberta Minister, went to England to try and help, along these lines, and told the Toronto *Globe* on May 23 that Great Britain was the best cattle market in the world and a change in its policy would solve the current cattle difficulties of his Province. On his return Mr. Marshall told the Edmonton *Bulletin* of July 4 that more Canadian witnesses would have been welcomed and should have been heard before the Royal Commission. During the year there were various arguments used to show that Canada would do well to feed its own cattle at home; Pat Burns of Calgary, the largest and most successful cattle-man in Canada, as well as a meat-packer, with all his 30 years' experience, opposed the removal of the Embargo and declared the whole matter to be a transportation question; suggestions were made that the Canadian Merchant Marine should equip two of its ships to carry chilled meat to Great Britain and thus get two pence per pound more than frozen beef. Harry Talbot, President of the Canadian Live Stock Exchange, with markets organized at Montreal, Toronto, Winnipeg, Calgary and Edmonton, stated on June 29 that: "Admittance of Canadian stock cattle to the United States market never did our breeders any good. Our cattle should be finished in Canada and what we should encourage is a feeding industry." On the other hand E. W. Beatty, of the C. P. R., stated at Calgary on Sept. 26 that, if the privilege of finishing Canadian cattle in Great Britain were accorded, Canadian cattle would be in a better position to compete with British and Irish fresh meats.

War Echoes of 1921; Canadian Memorials to the Dead.

There were many incidents during the year reminiscent of the World-War. Speaking in Toronto on Jan. 31 Major-General J. Lyons Biggar, C.M.G., stated that the Quartermaster-General's Department during the War handled, for the troops before going Overseas, 4,000 carloads of beef, 90,000,000 pounds of flour, 12,000 tons of butter and a million bags of potatoes; that the total cost of rail transportation in Canada in sending men overseas was $26,000,000 and the number of men carried by the railroads was 1,570,000; that the Canadian Pacific liners carried 264,000 men across the ocean, the White Star 225,000 and the Cunard and Donaldson lines 300,000; that the total cost of the sea transportation was $36,000,000. The unveiling of a Memorial plaque in London, England, to Colonel E. F. Harrison as the inventor of the small-box respirator which was so effective in protecting British troops from the effects of German gas evoked the claim from Canada that it was a Canadian, Lieut.-Col. G. G. Nasmith, C.M.G., who invented the pioneer gas-mask after the Battle of St. Julien, at which he saw the effects of the gas, and who, also, first recognized the German gas as chlorine; Col. Harrison improved and perfected the Nasmith work.

The Report of the Canadian Patriotic Fund, submitted at Ottawa on May 6, showed that it still had $6,100,000 on hand; that it was giving monthly assistance to 854 families; that since the inauguration of the Fund in August, 1914, $41,000,000 had been distributed with about $150,000 monthly now being paid out. At the same time the Report of the Toronto and York County Patriotic Association showed that from August, 1914, to January, 1921, the Association had collected $8,939,143, had disbursed the sum of $8,491,884 and had a balance on hand of $441,259. The final official figures of British Empire enlistments in the War, as submitted to the British Parliament early in 1921, were as follows:

County	Enlistments All Ranks	Deaths	Wounded
Great Britain and Ireland	6,211,427	743,702	1,693,262
Canada	683,170	56,625	149,732
Australia	413,453	59,330	152,171
New Zealand	227,325	16,136	40,729
South Africa	136,373		
Newfoundland	9,869	8,832	15,153
Other Colonies	135,337		
India	1,679,416	61,398	70,859
Total	9,496,370	946,023	2,121,906

It was officially stated at this time that War Trophies, including guns, machine guns and trench mortars, had been distributed by the Imperial authorities in the following numbers: Canada, 3,650; Australia, 4,508; New Zealand, 1,706; India, 549; South Africa, 421; Newfoundland, 84. Meantime, much important work had been done in 1919 and 1920 and continued during 1921 by the Imperial War Graves Commission. In this body

the various Dominions each had a Section, and the High Commissioner was Canada's representative with, latterly, Lieut.-Col. H. C. Osborne, C.M.G., as the Secretary in Canada. The Commission was under control of the British War Office. Under the auspices of this organization, Mr. Meighen, Premier of Canada, visited Vimy Ridge on July 2nd and unveiled a beautiful Memorial Cross in honour of Canadians buried in the local War Cemetery. The work of the Commission was a silent one but none the less significant and effective. At Bramshott and other places in England, handsome Memorial Crosses were erected by it in memory of Canadians.

In Canada the Canadian Battlefields Memorial Commission had been appointed late in 1920 to oversee the official erection of Canadian Memorials in France and Belgium. The Commissioners were Hon. S. C. Mewburn, C.M.G. (Chairman), and Hon. R. Lemieux, Lieut.-Gen. Sir R. E. W. Turner, V.C., Lieut.-Col. R. W. Leonard and the Hon. J. G. Turriff. The Order-in-Council appointing the Commission set forth that the sum of $250,000 had been appropriated at the last session of Parliament and that Brig.-Gen. H. T. Hughes and other officers were appointed to take charge of the necessary preliminary work. Eight sites for the erection of Memorials had been obtained by the Government, and the work of building suitable roads to some of these places, which were off the main highway, had been gone into. In this connection 160 designs for these Memorials, in a competition open to all Canadian architects, sculptors and other artists, were submitted in 1921 to three Judges appointed by the Federal Government; C. H. Reilly, Liverpool, nominated by the Royal Institute of British Architects; Prof. Paul Cret, Paris, nominated by the Société Centrale des Architects, and Frank Darling, nominated by the Royal Architectural Institute of Canada. Percy E. Nobbs, M.A., R.C.A., represented the Canadian Government. The aim of the Commission including these gentlemen was the erection of a series of monuments having a cumulative effect due to similarity in scale and general form of landmarks. Each monument should, it was stated, be individual in character as to its base and the composition of its immediate precincts. These eight monuments were to cost $120,000 each, and the sites selected were as follows: St. Julien, Passchendaele, Observatory Ridge, Vimy Ridge, Dury Crossroads (Arras-Cambrai), Bourlon Wood, Courcelette, Hospital Wood (near Amiens). Of the designs 17 were selected for serious consideration; eventually that of Walter S. Allward, Toronto, was approved.

Incidents in this connection included the formal presentation to Canada, at Ottawa on June 29, by Marshal Fayolle, of Rodin's bust "La France Reconnaissante"; the gift was accepted by the Acting Premier, Mr. Doherty, and the Opposition Leader, Mr. King, on behalf of the Dominion. Another was a passing

visit to Canada of Mrs. A. E. McCudden, mother of the famous aviator and V. C. who lost his life—with his father and two brothers—in the War. Mrs. McCudden represented the Mothers of Britain at the burial of the Unknown American Soldier at Washington. She was warmly received in Toronto on Dec. 3rd. Many Addresses were presented to her and an official reception given at the City Hall. The following list—while not absolutely complete—shows the chief War Memorials completed and unveiled in Canada during 1920 and 1921:

Date: 1920	Place	Institution, &c.	Form of Memorial	In Memory of
Jan. 17.	Calgary	McLeod St. Meth Ch.	Memorial Tablet	Members who served
" 23.	Truro	Agricultural College	Memorial Tablet	Members who fell
Mch. 21.	Toronto	St. Mark's Anglican Ch.	Memorial Tablet	Members who fell
" 22.	Regina	Metropolitan Church	Memorial Tablet	Sons of Regina College
" 28.	Truro	St. John's Anglican Ch.	Memorial Tablet	Lt. F. P. Layton
" 28.	Toronto	St. Paul's Anglican Ch.	Memorial Tablet	Lieut. Denovan and Bombdr. McWhinney
" 29.	Toronto	Parliament Buildings	Memorial Tablet	Nursing Sisters of Orpington
Apr. 18.	Edmonton	City of Edmonton	Memorial Hall	Those who served
" 18.	St. John	Queen St. Meth. Ch.	Memorial Tablet	Members who fell
May 2.	Toronto	Deer Park Presby. Ch.	Memorial Tablet	Members who fell
" 23.	Newcastle	St. Andrew's Church	War Memorial Cross	Members who feel
" 30.	Toronto	Berkeley St. Meth. Ch.	Memorial Tablet	Members who fell
June 21.	Toronto	G.A.U.V.	Oil Painting	Maj.-Gen. M. S. Mercer.
" 27.	Toronto	Avenue Rd. Presb. Ch.	Memorial Tablet	Nursing Sister McKenzie.
July 5.	Toronto	Parliament Buildings	Memorial Tablet	Members of 2nd Construction Battalion
Sept. 16.	Toronto	War Service Memorial Club	Organization of Club	Those who feel in War
" 17.	Montreal	McGill Siege Battery	Stone Flag-Pole Base	Members who fell in action
" 21.	Picton	Prince Edward Co. Men.	Monument	Those who fell in action
Oct. 3.	Ottawa	First Baptist Church	Memorial Tablet	Those who fell in action
" 24.	Toronto	University Schools	Memorial Tablet	Students who fell
" 31.	Toronto	St. Clement's Ang. Ch.	Memorial Tablet	Those who fell in War
" 31.	St. John	Trinity Church	Memorial Tablet	Members who fell
" 31.	Toronto	St. Mark's Church	Memorial Tablet	Those who fell in War.
Oct. 31.	Guelph	St. George's Ang. Ch.	Memorial Tablet	Those who fell in action
Nov. 14.	St. John	St. Luke's Church	Memorial Tablet	Those who fell in War
" 14.	St. John	St. John's(Stone) Ch.	Memorial Tablet	Those who fell in War
" 28.	St. John	Main St. Bapt. Ch.	Memorial Tablet	Members who died on service
" 28.	Toronto	St. Joseph's Church	Memorial Tablet	Members who fell
" 28.	Fairbank	Fairbank Memorial Schl.	Memorial Tablet	Those who fell in War
Dec. 1.	Owen Sound	City of Owen Sound	Monument	Those who fell in War
" 3.	Toronto	Western Hospital	Memorial Tablet	Nursing Sister Davis
" 6.	Toronto	Kew Beach Presb. Ch.	Memorial Tablet	Those who fell in War
" 12.	Ottawa	St. Paul's Presb. Ch.	Memorial Tablet	Those who fell in War
" 21.	Ottawa	Collegiate Institute	Memorial Tablet	Pupils who fell War
	Ninette	Ninette District	Monument	Men who gave their lives
1921	Rimouski	Rimouski District	Monument	Those who fell in action
Jan. 9.	Weston	St. John's Anglican Ch.	Memorial Tablet	Members who fell
Feb. 11.	Winnipeg	C.O.F. Court Garry No 2	Brass Tablet	Members killed in War
Mch. 20.	Toronto	Trinity Anglican Ch.	Memorial Stone	Members killed in War
Apr. 3.	Gananoque	Methodist Church	Brass Tablet	Members who fought in War
" 3.	Toronto	College St. Meth. Ch.	Memorial Tablet	Those who served
" 3.	Chatham	St. Luke's Meth. Ch.	Bronze Tablet	Those who ell in war
" 10.	Winnipeg	Crescent Congreg'l Ch.	Memorial Tablet	Sgt. A V. MacDonaid
" 10.	Montreal		Webster Memorial Hall	Methodists who served n Great War
" 10.	Montreal	All Saints' Angl. Ch.	Brass Tablet and Memorial Altar	Those of parish who fell
" 14.	Montreal	Presbyterian College	Memorial Tablet	11 students who fell
" 14.	St. John	Luxor Temple, A.A.O.N. M.S.	Bronze Tablet	Members who served in Great War
" 17.	New Westminister	Holy Trinity Cathedral	Memorial Tablet	Members of Parish who fell
" 17.	Winnipeg	Fort Rouge Meth. Ch.	Bronze Tablet	Men of the C. who fell
" 17.	Moncton	St. John's Presb. Ch.	Brass Tablets and Memorial Window	Members of Congregation who fell
16.	Toronto	South House, University Residence	Bronze Tablet	Students killed oversea

Date: 1920	Place	Institution, &c.	Form of Memorial	In Memory of
Apr. 17	Toronto	Church of St. Clement's	Memorial Tablet	Men of Con. who fell
" 18	Hamilton	The Bank of Hamilton	Bronze Tablet	Employees who fell
" 19	Montreal	Wesleyan College	Memorial Tablet	Those connected with the College who fell
" 24	Toronto	St. Peter's Angl. Ch.	Stained Glass Window	Members killed in War
" 24	Montreal	Centenary Meth. Ch.	Marble Tablet	Members who fell
" 24	Vancouver	St. Mark's Church	Memorial Tablet	Members who fell
" 24	St. John	All Saints' Church	Memorial Cross	Members who fell
" 28	Toronto	Rusholme Lawn Bowling Club	Club Memorial	Major Crawford and Lieut. Eaton
" 29	Toronto	Wycliffe College	Bronze Tablet	Sons who fell
May 1	Toronto	Upper Canada College	Memorial Tablet	Boys of the College who fell
"	Toronto	Trinity East Church	Memorial Tablet	Members who fell
" 1	Montreal	Stanley Presb. Church	Memorial Tablet	Those who fell in war
" 1	Carievale	Union Church	Memorial Tablet	8 Soldiers who fell
" 3	Toronto	Balmy Beach School	Memorial Tablet	Two former members who fell
" 8	Vancouver	St. Paul's Angl. Ch.	Brass Tablet	53 members who gave their lives
" 8	Vancouver	Turner Institute	Memorial Tablet	E. S. Corrin, R. B. Carter, William Mitchell
" 8	St. John	St. Andrew's Presb. Ch.	Brass Tablet	Young men of St. Andrew's who fell
" 8	Fredericton	Brunswick St. Bapt. Ch.	Memorial Tablet	8 members who fell
" 8	Toronto	Parkdale Meth. Ch.	Memorial Tablet	Lt. Harry Saxon Pell Lt. Willard A. Pell
" 11	Windsor	King's College	Memorial Tablet	Students who fell
" 15	Hamilton	McNab St. Presb. Ch.	Memorial Window	Members who fell
" 21	Toronto		Memorial Tablet	Royal Canadian Dragoons who fell
" 22	Brockville	Wall St. Meth. Ch.	Memorial Tablet	Church members who fell
" 22	Kingston		Monument	Members of R.C.H.A. who fell
" 22	Cloverdale, B.C.		Monument	Surrey Men who fell
" 24	Vancouver	Vancouver Lawn Tennis Club	Memorial Tablet	32 Club members who fell in War
" 24	Great Village		Monument	Native sons of who fell
" 24	Montreal	Royal Montreal Golf Club	Memorial Tablet	Members of the Club who died in War
" 24	Mono Mills, Ont.		Monument	Men of Caledon, Albion, Mono, Adjala
" 24	Keene, Ont.		Monument	53 Otonabee Township boys who fell
" 27	Indian Head	Indian Head	Monument and Memorial Park	52 Fallen sons of the Town
" 28	Bird's Hill	Memorial Association	Monument	Local Soldiers killed
" 29	Toronto	General Mercer Branch G.W.V.A.	Memorial Service	General Mercer and Companions
" 29	Chatham	St. Andrew's Presb. Ch.	Memorial Tablet	9 St. Andrews young men who fell
June 2	Biscarth	Binscarth and District	Monument	Those who fell
" 5	Margaret	Citizens of Margaret	Monument	Soldier boys who fell
" 13	Toronto	Ontario College of Pharmacy	Memorial Tablet	Graduates and undergraduates who fell
" 14	Truro	Canadian Bank of Commerce	Memorial Tablet	1,701 employees who served in War
" 18	Toronto	St. Paul's R.C. Church	Marble Statue	81 men of parish killed
" 22	Truro	Colchester Co. Academy	Memorial Tablet	Former students who fell in War
" 21	Beaconsfield	Beaconsfield and Dist.	Memorial Shaft	Those who died in War
" 27	Cobourg	St. Peter's Sask. Church	Memorial Window	Maj. Herbt. G. Bolster
" 24	Rossburn	Rossburn	Monument	Local men who fell
June 25	Champion	Canadian Bank of Commerce	Bronze Plaque	Boys from local Branch who served
" 26	Norway House,		Obelisk	Men of District who fell in action
July 2	Amherst	Senator & Mrs. Curry	Monument	Capt. Leon Hall Curry
" 3	Bridgewater	St. John's Church	Memorial Tablet	Members killed in War
" 3	Chatham	St. John's Presb. Ch.	Memorial Tablet	Local men who served in the War
" 3	Maple Creek	Presbyterian Church	Memorial Tablet	Boys who gave their lives
" 5	Winnipeg	Citizens of Barlingford District	Memorial Hall	Sons who fell in Great War
" 17	Lewisville	Lewisville Bapt. Ch.	Monument	Fallen soldiers of Lewisville
" 19	Gilbert Plains		Monument	Soldiers of Gilbert Plains District
" 19	Edmonds	St. Alban's Angl. Ch.	Memorial Tablet	Heroes who fell in War

Date: 1920	Place	Institution, &c.	Form of Memorial	In Memory of
July 17	Strathmore		War Memorial Hall	Local men who made supreme sacrifice
" 24	St. Catharines	G.W.V.A.	Memorial Shrine	City men who died in the War
" 26	Walkerton		Monument	Men who fell in War
Aug. 1	Beaver		Monument	Beaver District's fallen soldiers
" 2	Caledonia		Monument	Boys of North Queens who fell
" 4	Oak Point		Monument	Those who served from Parish of Greenwich
" 4	Wapella	Citizens of Wapella	Monument	Citizens who fell
" 7	Vancouver	First Congregational Ch	Honour Roll	Members who served
" 14	Hampton	St. Paul's Church	Brass Tablet	Members who gave their lives
" 15	Rockwood Park	Rockwood Comfort Club	Monument	Residents who fell
" 27	Clanwilliam	Clanwilliam	Monument	Fallen Heroes
" 27	Welsford	Women's Institute	Monument	Soldiers of District who fell
" 28	Canaan	Baptist Church	Memorial Tablet	Lt. J. Wallace Corey
Sept. 5	Stanley	Women's Institute	Memorial Cenotaph	Soldiers and Nurses from Parish
" 14	Huntingdon	Huntingdon County	Monument	Men of County who fell
" 8	Kamsack	Citizens of Kamsack and District	Memorial	Local men who died in War
" 18	Carleton		Monument	6 sons of Carleton who fell
" 24	Toronto		Cenotaph	Capt. John Denison and 9 of his descendants who fell
" 24	Calgary	Golf and Country Club	Memorial Tablet	Members who fell during the War
" 23	Iroquois	Iroquois High School	Memorial Tablet	Students and ex-students who fell
" 27	Hamiota		Cenotaph	Soldier sons of District
" 30	Morden	Citizens of Town	Monument	Boys of Community who were killed
" 30	Carp	Masonic Order and General Public	Memorial Temple	Carleton County men who served
Oct. 1	Sherbrooke	High School	Memorial Tablet	Pupils who fell
" 2	Fairville	Church of the Good Shepherd	Brass Tablet	Four men from the Church killed in action and 36 others who served
" 1	Rathwell	Girl's Khaki Club	Monument	Illustrious Dead of District who fell
" 2	Victoria	The Province of British Columbia	Memorial Avenue	British Columbia's fallen warriors
" 2	Manitou	Municipalities of Pembina and Manitou	Monument	Heroes who fell in Great War
" 2	Fort Frances	Citizens of District	Monument	Men who were killed
" 14	Montreal	McGill University	Memorial Flagstaff	Gunners of McGill Siege Artillery Unit
" 16	Liverpool	Citizens of Queen's Co.	Monument	Sons who fell
" 16	Minnedosa		Granite Monolith	District's sons who fell
" 14	Creston	Canadian Bank of Commerce	Memorial Plaque	Branch employees who enlisted
" 19	Bolton		Monuments	56 who made supreme sacrifice
" 21	Montreal	Westmount High School	Bronze Tablet	Past students who served in War
" 22	Montreal West		Monument	Local men who died or served in the War
" 23	Broomhill	Munipalty. of Broomhill	Memorial Tablet	Men of the community who fell
" 28	Brandon	Canadian Bank of Commerce	Bronze Tablet	Members of local staff who served
" 29	Montreal	Quebec Lawn Bowling Association	Bronze Tablet	Members who died Overseas
" 30	Montreal	Knox Cresent Presb. Ch.	Bronze Tablet	Men of Con. who fell
Nov. 1	Winnipeg	St. John's College	Bronze Tablet	Heroes of Northwest, South Africa, and the Great War
" 11	Montreal	City of Montreal	Cenotaph	The Country's Dead
" 11	Toronto	Harbord Col. Institute	Monument	Pupils and former pupils who fell
" 11	Calgary	Law Society of Alberta	Memorial Tablet	Barristers and law students who fell
" 11	Toronto	West End Y.M.C.A.	Memorial Tablets	Local Y.M.C.A. Heroes of the War
" 11	Middleton	Municipality of Middleton	Memorial Tablet Memorial Hosp'l	Fallen heroes of the War

Date: 1920	Place	Institution, &c.	Form of Memorial	In Memory of
Nov. 11.	Edmonton	Alberta Law Society	Bronze Tablet	Barristers and law students who fell
" 11.	Vancouver	Kitsilano Branch, Bank of Commerce	Memorial Tablet	Clerks who served in Great War
" 11.	Duncan	Cowichan Electoral Dis.	Memorial Cross	Members of District who fell
" 13.	Montreal	Church of St. Andrew and St. Paul	Memorial Window and Tablet	Fallen officers and men of 42nd Battalion
" 11.	Wawanesa	Municipality of Wawanesa	Monument	Fallen heroes of District
" 13.	St. John	St. Jude's Church	Memorial Window	Men of Church who fell
" 15.	Kamloops	Canadian Bank of Commerce	Memorial Tablet	War dead of the Staff
" 15.	Toronto	Royal Bank of Canada	Memorial Tablet	Members of staff who fell
" 18.	Montreal	Verdun High School	Memorial Tablet	Pupils of Verdun schools who served
" 20.	Toronto	Rosedale Presb. Ch.	Memorial Tablet.	Members who fell in Great War
" 18.	Toronto	Toronto Technical Schl.	Memorial Pipe organ	Comrades who fell in the War
" 27.	Vancouver	University School	10 Tablets of Bronze and Oak	Students of School who served and fell
" 20.	Kentville	St. Paul's Presb. Ch.	Roll of Honour	Members who served in the War
" 23.	St. Joyns Que.	Royal Canadian Dragoon	Memorial Clock and Tablet	Canadian Dragoons who fell
" 20.	Chemainus	Municipality of Chemain	Granite Obelisk	8 Men who made supreme sacrifice
" 27.	Toronto	St. Paul's Augl. Ch.	Memorial Windows	Men of Con. who fell
" 29.	Minto	Municipality of Minto	Memorial Hall	Local men who died in Great War
" 30.	Hillsboro	John L. Peek, M.L.A.	Memorial Hall	Albert Co. men who fell
Dec. 4.	Halifax	Fort Massey Church	Memorial Window	Men of Con. who fell
" 4.	Chatham, N.B.	St. Mary's Chapel-of-East	Roll of Honour	Members who fell in War
" 9.	Toronto	McMaster University	Bronze Tablet	Graduates and undergraduates who fell
" 11.	Dundas	Municipality of Dundas.	Monument	Heroes who fell in the South African and Great War
" 16.	Vancouver	Canadian Bank of Commerce	Bronze Plaque	Members of Local staff who enlisted
" 21.	Calgary	Central High School	Memorial Tablet	Students who died in Great War
" 18.	Duncan, B.C.	St. John the Bapt. Ch.	Bell and Roll of Honour	Members of Church who fell
" 17.	Pictou	Royal Bank of Canada	Bronze Tablet	G. R. Chisholm and Wallace King
22.	Toronto	Board of Education	Bronze Tablet	Employees of the Board who fell
May 11.	Toronto	National Club	Memorial Tablet	Members who fell

The Governor-Generalship of Canada: The Duke of Devonshire and Lord Byng of Vimy.

The position of Governor-General has always, in Canada, been regarded as a vital link in the union of Great Britain and the Empire; in 1920 and 1921 there was some discussion in a section of the Dominion press as to (1) the desirability of the appointment being subject to approval by the Canadian Government and (2) the possibility of appointing a Canadian. Neither point was widely or seriously dealt with except, perhaps, in cables to American papers, which referred in sensational terms to new developments regarding Canada's National status and which were duly published in Canadian journals through the American Associated Press service. The Toronto *Star* and the Winnipeg *Free Press* were the chief exponents of the idea that, as the former paper put it on Feb. 18, 1920, "the King will consult his constitutional advisers in Canada in making this Canadian appointment." J. S. Ewart, K.C., of Ottawa, the well-known

advocate of Canadian independence, proposed Sir Robert Borden as Governor-General; he had once paid Sir Wilfrid Laurier the same personal compliment. To such suggestions Prof. W. F. Osborne of Winnipeg responded as follows in the *Free Press* of Feb. 16, 1921:

> You say the Governor-General should be chosen by Canadian ministers. That would result, and fairly promptly, too, in a Canadian appointee. At the same time, you stand for the British Sovereign as the crown of our system. But the Crown would be a fiction under those circumstances. How prove it? You laugh at the appeal of the Privy Council being an appeal to the Throne. Tut, you say, the Throne has nothing to do with it; it is an appeal to a group of English lawyers. By the same token, what would the assent of the Crown to Canadian legislation amount to, if it were an assent by an appointee of the Canadian Government with the latent right of Disallowance on the part of the Home Government quite gone?

This year saw the close of the Duke of Devonshire's period of vice-royalty. He had performed his duties faithfully; he had probably spent much more than his Canadian income of $50,000 a year; he had traversed the Dominion several times from coast to coast; the Duchess had aided in making the social side of his régime popular, dignified and unostentatious. During 1920* the Duke had visited Northern Ontario in February—including North Bay and Cobalt, the Swastika and Kirkland Lake mining regions, Haileybury and Temiskaming. In June and July he had toured the Maritime Provinces and visited all the centres, including Summerside and Charlottetown, Montague and Souris, P.E.I.; Amherst, Louisbourg and Sydney, Baddeck and Halifax, Shelburne, Yarmouth and Digby in Nova Scotia; St. John in New Brunswick and St. John's, Newfoundland. In December he was again in Nova Scotia and visited some of the above places, again, together with Truro, Windsor, Grand Pré, Wolfville and Kentville, Annapolis, Liverpool and Lunenburg. The chief event of the year had been his Western tour with the following itinerary:

Sept. 7—North Bay, Temagami, Englehart.
" 8—Cochrane, Grant, Armstrong, Sioux Lookout.
" 9—Winnipeg, Dauphin, Kamsack, Warman.
" 10—Battleford and Edmonton.
" 11—Wetaskiwin; visit Peace River.
" 23—Jasper Park.
" 24—Red Pass, Blue River, Kamloops.
Sept. 25—Boston Bar and Vancouver.
" 28—Campbell River and Alberni.
" 29—Sproat and Central Lakes.
Oct. 2—Victoria.
" 6—Golden.
" 7—Banff and Lake Louise.
" 8—Golden, Cranbrook and Fernie.
" 11—Fernie, Coleman.
" 12—Regina.
" 13—Winnipeg.

His Excellency was in Toronto on Mch. 3rd, 1921, attending the annual Red Cross meeting; on the 30th the Duke and

*Note.—These facts were unavoidably omitted in the 1920 volume.

Duchess were in Winnipeg on a farewell tour of the West and attended a Reception held by the Lieut.-Governor and Lady Aikins in the Parliament Buildings with 3,000 guests present. A luncheon was given the Duke by the Legislative Assembly of Manitoba and to the Duchess by the Women's Canadian Club; on the 31st the Tuxedo Hospital was visited and the Duke was the guest of the Canadian Club at luncheon; the Boy Scouts, Wolf Cubs and Naval Brigade were inspected. The Vice-Regal party —which included, during parts of the tour, Lady Anne Cavendish, Lady Maude McIntosh, Lord Hartington and Lord Charles Cavendish—were welcomed in Brandon on Apr. 1st and were in Regina on the 2nd when flags and military salutes, crowds and the usual functions marked the visit. At the Government luncheon His Excellency said: "In getting your country filled up, always bear in mind that of all colonization agencies in the world, nothing has ever approached the cradle." He added that "more attention should be paid to public health—no fussy looking after people's business by Governments but a general awakening of public opinion." Edmonton was reached on Apr. 6 and the farewell included an Address from the Legislature, a luncheon to the Duke and Duchess by the Women's Canadian Club, a luncheon tendered by the members of the Legislature, a Reception at the University of Alberta. At Calgary on Apr. 8 the Governor-General attended an informal Reception at the Palliser Hotel and received an Address from the city.

Vancouver tendered Their Excellencies a banquet at the Hotel Vancouver on Apr. 19 and here the Duke's eldest son, the Marquess of Hartington, made a brief speech; earlier in the day a Reception was held with 2,000 people present and the Duke spoke at a Canadian Club luncheon. A Red Cross meeting was also attended. At Victoria (Apr. 19) the Duke unveiled a statue of Queen Victoria and two Memorial tablets in the Parliament Buildings to officers and men of local Regiments who fell in the War; the Royal Society of St. George presented an address of "fervent loyalty to the Throne of Great Britain"; the Cadets of the University Military School at Mount Tolmie were visited and inspected by the Governor-General; a Reception was held at Government House where, also, an official Dinner was given by the Lieut.-Governor and Mrs. Nichol. Returning East a visit was paid to Calgary (Apr. 21) and at the great Bassano Irrigation works the Duke operated a huge tractor for a short time; Moose Jaw gave a cordial welcome on the 27th and Port Arthur on the 28th. In Ottawa on May 2nd the Governor-General signed the proclamation inaugurating a two months' campaign, during May and June, to be conducted by the Canadian Red Cross for increased membership and support to the idea of National health. Ensuing incidents were as follows:

May 19. Unveiling on Parliament Hill, by the Duke, of Sun-dial on spot where Col. John By, founder of Ottawa, placed the original dial.....Ottawa.

May 21. Farewell visit of Their Excelliencies, accompanied by Lord and Lady Hartington.....Toronto.
May 21. Unveiling by Governor-General of Memorial Tablet at Stanley Barracks; Visit to Woodbine Races.....Toronto.
May 23. Empire Day parade and review of 7,400 Toronto cadets; Presentation of Illuminated Address to Their Excelliencies from the Red Cross Society; Civic Luncheon tendered to the Duke.....Toronto.
May 25. Attendance at Jockey Club Luncheon.....Toronto.
May 26. Farewell Garden Party at Government House Toronto.
May 28. Visit of Vice-regal Party to Hamilton and cordial welcome Hamilton.
May 29. Her Excellency the guest of honour of the Women's Canadian Club; the Duke inspected 600 Boy Scouts Ottawa.
June 3. Farewell Address presented by House of Commons to His Excellency.....Ottawa.
June 8. Visit to Midland after a two-day trip along the north shore of Lake Huron and among the islands of the Georgian Bay; the Marquess of Hartington launched the *Canadian Logger*, a local freighter; the Duke opened new wing of Hospital.....Midland.
June 9. Parry Sound and other Lake points visited...Parry Sound
June 18. Farewell to the Capital.....Ottawa.
June 20. Memorial Tablet in High School unveiled; Shrine at Ste. Anne de Beaupré visited.....Quebec.
July 15. Farewell Speech of the Duke to Canadian Club Quebec.
July 18. Banquet by the Government of Quebec Province to the retiring Governor-General and the Duchess of Devonshire Quebec.

In the Parliamentary Address (June 3) it was stated that: "Your Excellency has by travel acquired a wide and deep knowledge of the country and shown a sympathetic understanding of the ideals and aspirations of its people, and we beg leave to assure you of our appreciation of your interest in, and advocacy of, every national cause and your support of art, science and education." The ensuing tributes of Mr. Meighen, Mr. Mackenzie King, Mr. Crerar, Sir R. Borden, were earnest and obviously sincere. Just before leaving Quebec, on July 18, the Duke received a despatch from the Colonial Secretary expressing the Government's appreciation of his services and its recognition of Canada's cordial attitude toward its retiring Governor-General.

Appointment of Lord Byng of Vimy. There were many rumours as to who the Duke of Devonshire's successor would be; Lord Burnham was suggested and the Earl of Desborough was offered the post, which he declined for personal reasons; the Duke of Northumberland's name was prominently mentioned. In Canada the press discussed the appointment as an honour which should be greatly appreciated. So it was, but, at the same time, it was not realized or fully expressed that for men of sufficient standing and importance it really involved great sacrifices—the leaving of interests and friends, and the

transfer of family life to a new country, at an age when such changes are not thought lightly of; moreover, the expenses of the post were generally believed to be greater than the salary and official allowances. On June 3rd it was announced in Canada that General, The Lord Byng of Vimy, G.C.B., K.C.M.G., M.V.O., had been appointed and had accepted the position. Born in 1862, a son of the 2nd Earl of Stafford, married in 1902 to the daughter of Hon. Sir Richard Moreton, K.C.V.O., a brother of the 3rd Earl of Ducie, he had seen active service in the Soudan and South Africa and Egypt; as Sir Julian Byng he commanded the 3rd Division in France for a time, the 9th Corps at the Dardanelles, the Canadian Corps in France and, finally, the 3rd British Army; he was at this time Chairman of the United Services Fund which administered the Expeditionary Canteen accumulations.

The press and people of Canada were practically unanimous in approval of the appointment; some of the more radical papers such as the Toronto *Star* (June 4) expressed the belief that the selection was made "with the approval of the Canadian Government"; interviews with officers and men of the Canadian Corps evoked many strong tributes of praise and respect—notably from Brig.-Gen. C. H. Mitchell, Lieut.-Col. W. G. MacKendrick, Lieut.-Col. D. H. C. Mason of Toronto, the G. W. V. A. officials at Ottawa, Sir Arthur Currie, who was then in London. Lady Byng was known as the authoress of two novels—*Anne of the Marshland* and *Barriers*—written in 1912 and 1913 respectively; she had, as a child, been in Canada with her father when he was on the Staff of Lord Lorne; her maternal grandfather was of a well-known Greek family—Mr. Thomas Ralli; she was, herself, a member of the British Society of Women Journalists. Before leaving for Canada Lord Byng was entertained at a Dinner by the Canada Club (July 28) with the Duke of Connaught, General Sir A. W. Currie, Lord Lee of Fareham and Hon. C. C. Ballantyne as the speakers. In his speech Lord Byng declared that "if you could adjust the balance of law to the balance of liberty, you would get what was ideal in democracy." Pride in the Monarchy and in British citizenship were defined as the two great bonds of Empire.

On Aug. 10 the new Governor-General and family arrived at Quebec on the *Empress of France* and received a welcome from massed crowds of people and an official one from Mr. Meighen as Premier of Canada and Mr. Taschereau as Premier of Quebec. At the Government luncheon he stated that Canada had asked for him and he came: "I've never done anything like this, you know, and I expect I'll make mistakes. I made some mistakes in France, but when I did the Canadians always pulled me out of the hole. That's what I'm counting on here." Ottawa was reached on the 11th and amidst the booming of guns, the clamour of bells, brilliant decorations and the acclaim of a tremendous crowd, Lord Byng entered upon his duties. A Civic address was

presented on Parliament Hill with much state and ceremonial—together with one from the G. W. V. A. An informal speech followed at a dinner of the Dominion Rifle Association, Ottawa, on Aug. 19, and a reference to Militarism was cleverly made: "If it means what the father of Frederick the Great thought it meant, whose chief happiness in life was to see the young men of the nation practicing the goose-step outside his palace windows then I do not approve of it; in fact, I would rather see the young people practice the fox-trot. But if Militarism means pride in what the Canadians and the other troops of the Empire did during the 4½ years of war, then I am an 18-karat militarist."

Lord and Lady Byng were in Toronto on Aug. 27 where they stayed with Sir Joseph and Lady Flavelle at "Holwood"; an Address was presented by Mr. Drury as Provincial Premier in the Legislative Chamber and a Civic address was tendered at the City Hall; a parade through the City followed and the National Exhibition was formally opened in the afternoon when about 10,000 War Veterans were also reviewed. In the Provincial Address it was stated that "the long and conspicuous military career of Your Excellency has won the respect of all who have acted with or served under you, and it is a fortunate circumstance that the courage, fidelity to duty, and love of justice displayed by you in high military command are now at the disposal of the civil state, in these happier times, when peace, goodwill, and integrity should be the guiding principles of our national life." The Exhibition Address presented by Robert Fleming, President, also referred to His Excellency's military career: "Our soldiers have brought home tales of the strenuous days of Sanctuary Wood, the Somme and Vimy Ridge, and woven through all is the theme of unswerving faith in their leader who, by his practical, sympathetic interest in their welfare and by his military genius contributed so much to those splendid victories."

In his reply to the latter Lord Byng eulogized the Canadian National Exhibition as "famous throughout the British Empire and the Continent of America." To the Veterans all around him he spoke of the past and the present: "That the War we have just passed through was just, was necessary, was in defence of our ideals and our liberties, no one, I think, will deny. We have won it and kept our freedom, but we have to pay the price all the same." A second visit to the Exhibition on Aug. 28 evoked another and remarkable ovation from the great crowds; the Canadian Club was addressed on the 29th and an appeal made to support and stand by the returned soldiers—the "Byng Boys" of the strenuous past; later on, at the rooms of the Commercial Travellers' Association, a memorial was unveiled by the Governor-General to 500 members who served in the War. During the visit many institutions were seen and a kind word or cordial greeting given the inmates.

Montreal was visited on Sept. 6 and the Royal Victoria Hospital, the Red Cross Lodge and other institutions inspected. On the 12th Lord Byng addressed a luncheon of the Central Canada Exhibition at Ottawa; the Vice-regal party attended the Connaught Park races at the capital on Sept. 13; at Montreal, again, on Oct. 13, McGill University was visited. On this occasion His Excellency received the Hon. degree of LL.D. in connection with the 100 years' anniversary of that institution; he urged the teaching and study of English in history as useful in the building up of the Dominion. On Nov. 19 Lord Byng opened a Memorial Hall at Ottawa in honour of the men of St. Matthias Parish who had served and fallen; on the 28th Lady Byng was the guest of the Toronto Women's Press Club and delivered a witty and charming speech in which, however, she declared there were "no outstanding writers" in England to-day; at Toronto University on the same day Lord Byng accepted an Hon. LL.D. and received a great welcome from the students.

On the 29th the Public Library was visited, Lady Byng attended an I. O. D. E. Municipal luncheon, officers of the Toronto Military District were presented to His Excellency; in the evening a Dinner of the Empire Club was attended and a tactful speech given by the Governor-General. On the 30th Lady Byng addressed the Big Sisters' Association and His Excellency unveiled a Tablet at St. Andrew's College to students who fell in the War; in the evening St. Andrew's Ball was attended. The Governor-General was in Kingston on Dec. 14 and formally opened a Memorial Hall in honour of the fallen and unveiled 12 Memorial windows and tablets; later he received the Hon. degree of LL.D. from Queen's University and unveiled a bronze tablet erected in memory of its 107 graduates, etc., who fell in action during the War. Various appointments were made at the close of the year in connection with the Governor-General's Staff, including Capt. Walter Hose, C.B.E., as Hon. Naval A.D.C. and the following as Hon. Military Aides-de-Camp:

Brig.-Gen. D. M. Ormond, C.M.G., D.S.O.
Commissioner A. B. Perry, C.M.G.
Brig.-Gen. C. H. Maclaren, C.M.G., D.S.O.
Brig.-Gen. T. L. Tremblay, C.M.G., D.S.O.
Col. Sir Percy Sherwood, K.C.M.G., M.V.O.
Colonel A. Macphail, C.M.G., D.S.O.
Colonel J. B. Rogers, C.M.G., D.S.O.
Colonel C. W. Peck, V.C., D.S.O.
Lt.-Col. C. M. Edwards, D.S.O.
Lt.-Col. W. W. Foster, D.S.O.
Lt.-Col G. R. Pearkes, V.C., D.S.O.
Lt.-Col. L. R. LaFlèche, D.S.O.
Lt.-Col. C. R. E. Willets, D.S.O.
Lt.-Col. R. L. H. Ewing, D.S.O., M.C.
Lt.-Col. J. L. Ralston, C.M.G., D.S.O.
Lt.-Col. A. McMillan, D.S.O.
Lt.-Col. D. A. MacKinnon, D.S.O.
Major A. Payette, M.C.
Hon. Physician, Major-Gen. J. T. Fotheringham, C.M.G.
Hon. Air Aide-de-Camp Lt.-Col. J. S. Scott, M.C., A.F.C.

Imperial Incidents of Canadian Concern.

Jan. 6. The Earl of Reading, G.C.B., G.C.S.I., G.C.I.E., K.C.V.O., K.C., was appointed Viceroy of India and the Earl of Lytton Governor of Bengal.

Jan. 13. In the course of a Scottish tour by a number of Canadian curlers headed by Judge Patterson of New Glasgow—who had won 17 matches and lost one since Jan. 8—they were entertained at luncheon by the Corporation of Edinburgh with Dr. Macnamara, Minister of Labour, present.

Jan. 28. In the old Parish Church of St. Alphage, Greenwich, in the crypt of which General Wolfe is buried, a Canadian flag and tablet in memory of Lieut. W. R. Read of Toronto, were dedicated by F. C. Wade, Agent-General for British Columbia.

Jan. 29. The appointment was announced of Dr. Herbert Eldon Roaf as Professor of Physiology in London University. A son of J. R. Roaf, Toronto, he had graduated from Toronto University in 1902 as gold medallist, then was nominated for the Colonial Fellowship at the University of Liverpool and, later on, was given Research scholarships for two years by the Medical Association of Great Britain. During the War he was in the Medical Service at Cairo, Egypt, and in the campaign to Palestine.

Feb. 8. It was announced in the Vancouver *Province* that the firm of Stewart and McDonnell, of which Maj.-Gen. J. W. Stewart, C.B., C.M.G., of Vancouver, was the head, had been appointed by the Imperial Government engineers in charge of the spending of $17,000,000 on the first unit of enormous harbour works at Takoradi on the Gold Coast and was now rapidly organizing for its great task. Large quantities of material would be shipped from Canada to be used in this work.

Feb. 12. Rt. Hon. Winston Spencer Churchill, M.P., succeeded Lord Milner as Secretary of State for the Colonies.

Feb. 17. In the list of new Barristers recently "called" by the Inner Temple, there appeared the name of Frank Gahan, M.A., LL.B., B.C.L., who was born in London, Ontario, graduated from the University of Toronto just before the War, and served for nearly 4 years with the Canadian forces overseas. Since then he had taken the degree of LL.B. at the University of London, with first-class honours, and was placed in the first class by the Council of Legal Education in his final examination for the English Bar; at Oxford in one year less than the usual time, he took his B.C.L. degree with first-class honours.

Feb. 28. Mr. Lloyd George, in the Commons, announced that the administration of Palestine, Mesopotamia, Aden, and areas within the British sphere of influence would be transferred to the new Middle East Department of the Colonial Office after Mch. 1st. Egypt, the Soudan and Hedjaz would remain under the Foreign Office.

Mch. 31. For the fiscal year 1917-18 Australian imports from Canada were £1,667,068, in 1918-19 £2,844,050, in 1919-20 £2,640,280.

Mch. 31. The first woman member of an Australian Parliament was Mrs. Cowan who, in West Perth, defeated Hon. T. P. Draper, Attorney-General of Western Australia.

Mch. 31. Announcement was made of the appointment of Edward R. Peacock, London Manager of the Barcelona Traction Light and Power Co., and a well-known Canadian financier, as a Director of the Bank of England in succession to Lord Hollenden, who retired on account of advanced age.

Apr. 1. Sir James Allen, for six years Minister of Defence in New Zealand and frequently Acting Prime Minister, was appointed High Commissioner in England.

Apr. 27. The Rt. Hon. Sir Hugh Graham, Lord Atholstan, took his seat in the House of Lords with the usual picturesque ceremonies and attired in robes of scarlet and ermine. His sponsors were Lord Somerleyton, a Lord-in-Waiting, and Lord Islington, an ex-Governor of New Zealand.

May 19. The British Empire Alliance was organized at Edmonton with A. N. G. Bury as President, F. S. McCaul and Mrs. E. W. McDonald as Vice-Presidents, W. M. Charteris as Secretary and a Committee which included Col. Jamieson, Lt.-Col. J. D. Wilson, Arthur Mowat. A. B. Watt, Rev. Canon Carruthers, Sydney Wood, K.C., Robert McCreath (Chairman Trades and Labour Council), J. W. H. Williams (Editor *Western Veteran*), John Blue. The Hon. President was the Lieutenant-Governor and the Hon. Vice-Presidents included Hon. F. Oliver, Chief Justice Harvey, Hon. C. Stewart, Hon. D. L. Scott, General Griesbach, A. F. Ewing, K.C., M.L.A., Dr. H. M. Tory and Rev. Dr. D. G. McQueen. It was stated that a similar organization in Vancouver had 600 members. At a large meeting of May 23 following, its objects were stated as follows: "To foster, develop and further true allegiance to H. M. King George V and his successors; to defeat all conspiracy and sedition, having for its object disruption of the political, social, or economic institutions which have been built up within the Empire; to combat all efforts to sever Canada from the Empire."

June 15. The new Census figures of Australia showed a popualtion of 5,419,702 or an increase of 969,721 since 1911.

June 30. The war indebtedness of Australia was £234,831,918 owing to bond-owners in Australia, and £92,480,156 owing to the British Government.

July 1. The *Saturday Review* was announced to have passed under the control of Sir E. Mackay Edgar, Bart., of Sperling and Co., bankers, the well-known Canadian financier in London—and the editorship of Sydney Brooks. While continuing its usual features in regard to political affairs and the drama, literature, music, and art particular attention was to be paid to financial and city matters.

July 5. The King conferred a G.C.M.G. upon General the Rt. Hon. Lord Byng of Vimy, G.C.B., K.C.M.G., M.V.O., Governor-General Designate of Canada.

July 14. Edinburgh University conferred the degree of Hon. LL.D. *in absentia* upon Rt. Hon. Sir George E. Foster, Acting Prime Minister of Canada and in person upon General Sir Arthur Currie, Principal of McGill University, with that of Hon. D.D. upon Sir Robert Falconer, President of Toronto University. A few days later Sir Robert received an Hon. LL.D. from Dublin University.

July 15. The Australian Federal House of Representatives passed the Bill to constitute a Tariff Board, composed of three members, to which the Minister of Trade and Customs could refer matters relating to the classification and value of dutiable goods, the necessity of tariff and excise increases and reductions, and the granting of bounties.

July 19. Hon. J. H. Carruthers, lately Premier of New South Wales, proposed a comprehensive colonization scheme for Australia and the creation of a fund of £30,000,000, jointly backed by Great Britain and Australia, to be raised as required and used in the settlement of unoccupied land. He urged "a million farmers and a million farms" for Australia, and that the whole Continent should be colonized—not merely a fringe on the seaboard.

July 21. Hon. E. D. Millen, Australian Minister of Repatriation, told the Senate at Melbourne an extraordinary story of incompetence and reckless expenditure. Of the £50,000,000 appropriated for building cheap and substantial houses—chiefly for returned soldiers—£12,323,499 had been spent on 17,000 houses which were mostly vacant owing to graft, poor construction and excessive cost.

July 30. 700 miles of three-quarter inch aluminum steel-reinforced cable were ordered from the Northern Aluminum Co., Shawinigan Falls, Que., by the Victoria (Australia) State Electricity Commission.

July 30. The nomination of Hon. Sir G. H. Perley by the Canadian Government was announced as a member of the Imperial Shipping Committee recently appointed by Mr. Lloyd George. Sir H. J. Mackinder,

M.P., was Chairman, and the Committee consisted of 14 members who were (1) to enquire into complaints from persons and bodies interested with regard to ocean freights, facilities and conditions in the inter-Imperial trade and (2) to survey the facilities for maritime transport on such routes as appeared to be necessary for trade within the Empire, and (3) to make recommendations to the proper authority for the co-ordination and improvement of such facilities with regard to the type, size and speed of ships, depth of water in docks and channels, construction of harbour works and similar matters.

Sept. 1. Major H. A. Chisholm, M.C., was appointed as 1st Canadian Government Trade Commissioner to India.

Sept. 4. A sermon delivered by Rev. Canon A. P. Shatford at Montreal was a remarkable presentation of Empire unity conditions—of what he termed Identity of obligation, Identity of heritage, Identity of achievement, Identity of destiny.

Sept. 27. Admiral of the Fleet Lord Jellicoe, G.C.B., O.M., G.C.V.O., was sworn in at Wellington as Governor-General of New Zealand.

Sept. 28. Current Australian tariff changes were stated by President P. B. Wilson of the Canadian Pulp and Paper Association to seriously threaten Canadian trade in this connection through a preference to Great Britain of $15 a ton over Canadian paper manufacturers. Edward Beck, the Secretary of the Association, in Montreal stated that Mark Sheldon, Australian Commissioner in the United States, had explained the Bill to a Toronto gathering of manufacturers, and told them that if Canada wanted to participate in the Preference this country should make its desires known. The authorities at Ottawa were duly made acquainted with his message but, he said, it was not on record that they had done anything. The Tariff finally passed on Dec. 9.

Oct. 1. The Commonwealth Bank of Australia—the first State bank in the British Empire—with all its stock held by the Government of Australia, authorized in 1911 and established in 1913, was reported as having Assets of $700,000,000.

Oct. 7. Rt. Hon. Sir Joseph Cook, G.C.M.G., M.P., Treasurer of the Commonwealth, was appointed Australian High Commissioner in London.

Oct. 29. Charles Cambie, London Manager of the Canadian Bank of Commerce, in returning from a brief tour of Germany with Sir John Aird, General Manager of the Bank, described the country as prosperous-looking, the food as excellent, the Railway rolling stock as "spick and span." Additions were being made to factories, workmen were entering and leaving by hundreds; the chimneys were smoking; whole families, from old men and women to children, were working in the fields from sunrise to long after sunset; and there was an air of apparent prosperity throughout the country: "While the country is making goods mainly to supply the deficiency in Germany incurred by the War, it is also selling to European countries, especially to Russia, from which country it obtains gold or foreign exchange for the goods supplied. It is also shipping to Mexico and South American States."

Nov. 1. New Zealand put into operation a law involving the application of the principle of compulsory state loans in connection with the settlement of soldiers on the land. It was intended to complete a Loan of $30,000,000 of which $21,000,000 only had been voluntarily subscribed.

Nov. 5. The Inter-State Australian Premiers' Conference dealt with the Immigration problem. The Commonwealth was stated to be prepared to finance the Immigration scheme on a large scale but it was decided that the States must formulate definite proposals for a land settlement with guaranteed employment before the Commonwealth would give proposed immigrants the positive assurances which were essential.

Nov. 6. There was unveiled in the well-known Kentish Village of Orpington under the auspices of the Ontario Government—represented

by Sir George McLaren Brown—a Memorial Cross in honour of 90 Canadian, 23 British and 5 Australian soldiers who died during the War in the Ontario Military Hospital. Sir George Perley and W. C. Noxon spoke briefly.

Nov. 25. Rt. Hon. W. M. Hughes, Prime Minister of Australia, received a presentation of £30,000 of which £12,000 was subscribed in England.

Dec. 9. The Australian House of Representatives rejected by 40 votes against 21 a motion in favour of reducing members' salaries from £1,000 to £800.

Dec. 12. Prof. S. P. Leacock, Canadian humourist and economist, addressed the inaugural luncheon of the Canadian Club of Great Britain in the King Edward VII Rooms of the Hotel Victoria, London.

Dec. 13. The death of Lord Mount-Stephen at the age of 92 removed a great Imperial as well as Canadian figure—one who had lived in England for many years after doing much for Canada. Some of his later benefactions were as follows: Founding of Royal Victoria Hospital, of Montreal, $1,000,000; Barnardo Home movement, $500,000; King Edward's Hospital fund, $2,675,000; Queen Victoria's Unemployment Fund, $5,000; Aberlour Orphanage (Scotland), $175,000; Dufftown (Scotland) Cottage Hospital, $25,000; endowment of Parish ministries of Speyside, $200,000; Montreal General Hospital, $50,000.

Dec. 31. Indian visitors of the year in Canada were Prof. S. L. Joshi of Baroda College, Bombay; A. Russell Graham, a Canadian lay missionary in India for many years; Dr. S. K. Datta, who was described by the press as "of India" and as giving "illuminating addresses" regarding that mass of 350,000,000 people, with unstinted praise for Gandhi; Lieut.-Col. Henry Smith, C.I.E., M.D., who described the situation as he had personally seen it in the Punjab during the Dyer episode.

CANADA

AND

THE IRISH QUESTION

The Irish Situation in 1921; World-Wide Aspect of the Problem.

Is it possible to give a clear picture of conditions in Ireland during the pivotal years of 1920-1921 without passion, partisanship or prejudice? The difficulties in the way are obvious and very great but the gain would be considerable in even a moderate degree of success. The issues involved were vitally important to Canada—(1) as to its relations with the Empire and the United States; (2) as to peace and harmony amongst sections of its own people; (3) as to its attitude of mind and thought in respect to what had become a world problem; (4) because the form and operation of its own institutions had become an essential factor in Irish re-construction. As to some elements in the Irish situation there would seem to be no serious doubt: (1) The outstanding Celtic temperament of the Irish people and its influence upon their historical outlook and political opinion; (2) the fact and the importance of a great migration of the people; (3) the historical fact of economic prosperity at certain vital periods in Irish history and notably so in 1920-21.

A small country in itself, close to and overshadowed by a larger, richer and more powerful Kingdom, Ireland might, under normal circumstances, have become a prosperous Scotland or a contented Canada. The Irish people, however, had a very different temperament from that of their associated nations and lived under more stormy skies of fate than did the people of Scotland, or Canada, or England itself. They have been great in their individual achievements and, as soldiers, statesmen, orators, affected the destiny of many a country other than their own; as a people they have spread over the world and influenced the civilization and life of many lands; as a race they developed a sort of combative idealism which could become beautiful in its softer phases of poetry and literature or bitter in its memories of ancient wrongs and later griefs; as individuals they possessed a charm of wit and humour, a freshness and vivacity of thought, a geniality of manner and life which have added greatly to the happiness of English-speaking peoples; as a nation, they should have ranked amongst the proudest and best of the smaller peoples.

But geography, historical feuds and temperament intervened—and the greatest of these was temperament. Long ago the Scotchman overcame his handicap of geography and through possession of a stronger acquisitive temperament than the average Englishman conquered the latter, commercially, in his own home and competed successfully with him in his most

distant colonies; similarly, the Canadian, with much Scotch blood in him, overcame the pioneer difficulties of half-a-continent and, in later days, extended his individual business success into the greater population of the United States as, in an earlier day, the Scot had done in England. The Irishman in his expansion abroad had gone first to France and Austria and Spain where he shared in some of the biggest fighting and controversial statecraft and militant ecclesiasticism of the Middle Ages; then in modern days he went to England, to Canada, to Australia, to the United States; always and everywhere, however, he was an Irishman, a man with special temperament, views, and aspirations—a special and passionate love for the land he had left.

As time went on there were more Irishmen abroad than at home. In the earlier period, when they swarmed into the fields of European adventure and militant life, they were not always antagonistic to England; often, indeed, they were amongst the bravest of the brave in her far-flung armies and battle-line. In more modern ages the crushing burden of a deep-seated grievance—of an injustice which seemed greater than all remedial efforts or changing policies—became imbedded in the minds of millions whom conditions had forced abroad and who had become citizens of many lands. There the Irish temperament came into play; the past was a more vital part of his intellectual personality, his heart-felt sentiments, than was the present.

Children of English Roundheads could forgive and forget the oppression of the Royalists or the bitter memories of a Jeffries and descendants of the Royalists would overlook the dour narrowness and callousness of the followers of Cromwell; the Catholics of England, when Emancipation Acts and freedom and equality finally came, could forget and forgive the travail of days when they suffered from biting restrictions and bigotry; the Protestants of England could, as time passed on, overlook what they believed to be the oppression and cruelties of Mary's reign and the memories of Philip of Spain in his onslaught upon the liberties of their land; North and South in the United States could fight one of the bitterest wars in history and yet live in later days of unity, amity and peaceful co-operation; Catholic and French Quebec, and Protestant and English Ontario, after 50 years of intermittent racial and religious strife, can to-day live in an atmosphere of friendliness and generous conciliation.

But the Irishman cannot forget the days of Cromwell's cruelty or Ulster's dominance, the years of religious inequality and Church of England tithes; he does not overlook the past sins of absentee landlordism, the old-time oppression of English taxes and the system of eviction, the divergence of thought and belief and practice between Protestant and Catholic; he will not forget the severe disabilities of the Catholics or the harshness of Britain's 18th Century administration, the suppression of the 1798 Rebellion or the corrupt ending of the Irish

Parliament in ensuing years. The typical Irishman still lives in this unpleasant Past, the dreamy side of his mind dwells upon Memories while the militant side of his nature fights the country which embodies to him much that is oppressive and arbitrary. The average Englishman, in either the past or the present, has not understood the mentality of an Irishman; the average Irishman at home or abroad dislikes and distrusts the Englishman. The latter lives in the present, works for present success, strives for material prosperity, takes the greatness of his own country for granted. The Irishman is controlled by historical retrospect —the glories of departed greatness, the magnified points of past injustice, the traditionary deeds of martyrs to faith or patriotism.

The migration of the Irish people has always been an interesting subject of discussion, an important matter of international development. The condition itself was not a peculiar one. Every part of the United States has felt the imprint of English and Scotch influence; immigrants of those nations have aided in the building-up of many countries; millions of Englishmen and Scotchmen have left the Old World for the New. But as settlers, these races merged into the communities they entered; the Irishman might co-operate but he did not merge and, as a rule, he remained Irish—with all the qualities, convictions, patriotism and prejudice with which he was imbued in his home land or which he had inherited from his fathers. A reasonable estimate of Irish emigrants or their descendants outside of Ireland had been 20,000,000; the Sinn Fein estimate in these later days is 30,000,000.

It is a curious fact, as illustrating peculiarities of national progress, that in 1801 Ireland had as large a population as England though it lacked unity, liberty, self-government; its people went on increasing until in 1841 they numbered 8,175,124 resident in Ireland. At this latter date England had 16 and Scotland 2½ millions. Then began the decline in Ireland to the 4,390,000 figure of 1911; in 1920 the Irish-born living in the United States numbered 1,139,578 while the total number of Canadian-born persons living there was nearly the same—1,117,-136. The descendants of Irish-born settlers were, of course, very numerous but there is no American estimate available. A British Parliamentary paper issued in 1921 gave a record of total emigration from Ireland to all countries, between May 1, 1851, and Dec. 31, 1920, as totalling 4,338,199; of these 2,287,374 were males and 2,101,739 females, and the greater part of them were young people. As the majority went to the United States, it is safe to put the Irish-born in that country *plus* those born of Irish parents, at from 10 to 15 millions. During the War emigration from Ireland largely ceased; in 1919 the emigrants numbered 2,975 and in 1920 they were 15,585 though the Sinn Fein leaders vigorously discouraged young men from leaving the country at all. Another curious fact, in view of countless

charges as to violence and murder and sudden death in Ireland during 1920 and 1921, was the death rate in the Island, which, in 1920, was 14·8 per 1,000—the lowest ever recorded; the deaths numbered 66,538 as against an average in the previous ten years of 74,317.

To the basic fact of peculiar temperament in the Irish race, and the potent fact and force of Irish emigration, must be added a very general statistical prosperity in Ireland during recent years. How real this was, how deeply it touched the masses, can only be estimated; we know it did not bring peace and content of mind. Apparently the condition commenced in 1913 before the War, continued during the whole period of world-conflict, and lasted through the years of reconstruction and internal warfare. According to a Statistical Statement issued in September, 1921, by the Irish Department of Agriculture, the deposits and cash balances in the Joint Stock Banks of Ireland on June 30, 1913, totalled £62,142,000 and on June 30, 1921, were £186,440,000. In the Post Office Savings Bank, where the humble man kept his nest-egg, the deposits of £13,167,000 at the end of the year 1913, remained about the same, or £13,870,000, at the end of 1920. In the Trustee Savings Bank the figures for June, 1913, and for the same month in 1921 were £2,633,000 and £3,437,000 respectively.

Allowance must, of course, be made for the general increase in values of commodities; considering this, it was apparent that while the cost of living in Great Britain—(much higher than in Ireland)—increased between July, 1914, and July, 1920, at about 122 per cent. the deposits in the Joint Stock, Post Office Savings Bank and Trustee Banks of Ireland increased 168 per cent. During the period June 30, 1913, to June 30, 1921, the amount of British Government Stock held in Ireland grew from £43,335,000 to £102,048,000, or 135 per cent. Between 1900 to 1910 the number of Irish Bank branches grew from 661 to 809 and in 1920 totalled 1255. It also was a fact that, in 1919, the export trade of Ireland was £39 per head compared with £17 for the United Kingdom and £1-10-11 for France; that between 1904 and 1919 the total Exports of Ireland had increased from £49,785,000 to £176,033,000. In 1919, according to the *Statesman's Year Book*, the Exports to England, alone, were £174,005,000; the Imports from England were £132,374,000. There was, obviously, no doubt of the value of the British market to Ireland and of Irish supplies to England.

How far, therefore, was the Irish trouble at this time economic? It was claimed, with much truth, that Ireland was capable, within itself, of sustaining a population of 25,000,000; that its revenues of $150,000,000—including Ulster—were more than those of Sweden or Denmark, Greece, Bulgaria or Roumania, Switzerland or Portugal; that it exceeded in area 10 European states and in population five other States and was not much less in this respect than Australia; that it was the natural

centre of intercourse between the Old World and the New and commercially and strategically was the key of the Atlantic; that it produced or was capable of producing all the necessaries of civilized human life and possessed more natural harbours for vessels of the largest size than did all the remainder of Europe; that it owned one of the richest fishing areas in European waters and produced more fuel (largely peat) than any Europeon country except Germany, Great Britain and France; that there had been no proportionate or reasonable development of the country; that in fact more repressive measures and laws had been enacted in the past against Irish industries and commerce than against the industries and commerce of all the other nations of Europe together—including its cattle trade, its woollen trade, its linen, tobacco, and glass trades; that it was the only country in Europe where famines had taken place while food was exported and that it was a country made and kept poor by its Government.

The other side of the case was that most of these troubles were in the distant past; that England was Ireland's nearest and greatest market; that Ulster had prospered in its industries; that in the years following 1815, although liberties of all kinds were greatly restricted, Irish silks, linens, woollens, cottons, glass, metal wares, etc., were of fine quality and in great demand; that, up to the middle of the 19th Century, Irish agriculture was prosperous and that its decline up to the War-period was due to much the same causes which affected the English farmer—competition of the agricultural products of America or Russia, Australia or Canada, together with the revolution brought about in prices and transport by the invention and use of steam; that the one great and disastrous famine in Ireland (1845-46) came from a potato blight, which extreme precipitation, brought by moisture from the Atlantic, had caused; that old-fashioned, inefficient and non-scientific methods were the basis of much trouble in past agricultural production and that modern methods, aided by a progressive Agricultural Department and the success of the Co-operative movement had produced great changes, and War-time wealth, and would continue to promote prosperity.

The Sinn Fein Position and War Action; The British or Loyalist Reprisals.

The Sinn Feiners of Ireland in 1920-21 were not the first to fight in that country for what they claimed to be freedom nor were they the first to consider England as their bitterest enemy and Ulster as the bar to all progress and independence. There had been revolts in Ireland since the days of Henry II; the struggles of Cromwellian days, the Rebellions of 1798 and 1848 and 1916 were the most notable; the efforts of United Irishmen, Repealers, Land Leaguers, National Leaguers, Fenians, etc., were well known at different periods. But the effort in these later years was more organized, better supported, more widespread and the re-

sults more clearly defined than ever before. Back of the Sinn Fein in Ireland were many sympathizers, out of about 1,000,000 Irishmen, in England; behind them also was much support in speech, political agitation and in money from 1,000,000 Irish-born and many millions of Irish descent in the United States; with them was much of sympathy, also speeches and varied support, from groups of Irishmen in Canada and Australia. The leadership was more vigorous and systematic than in the past while the keen capacity and quick initiative of Arthur Griffith, the excitable and vigorous propaganda of De Valera, and the fighting earnestness of Michael Collins were elements of serious import.

There was, in 1920, a rapidly growing Irish Republican Army of variously estimated numbers—some estimates running as high as 100,000 men; as in all revolts against authority or rule, whether external or internal, most of the lawless classes in the community attached themselves to the revolutionary body; the Sinn Fein leaders and their Dail Eireann, or republican parliament, claimed that the situation at this time was a state of war, and that this was excuse enough for the deeds of violence which ensued; it was claimed that British reprisals and the alleged crimes of Black and Tan forces gave further right and excuse for this violence. To get at the truth of what followed—even at this close range in time—is exceedingly difficult. Politics, religion, and race, press despatches to the United States which were coloured by the views of the writers and readers, international animosities or prejudice, political considerations in England, in Canada, in Australia, in the United States. all helped to obscure the truth.

To read a British Conservative magazine called *Gleanings* which, for 18 months, contained monthly lists of alleged outrages in Ireland covering many pages in length, and giving exact details in time, place, name and nature, one would imagine that country to be absolutely seething in misery and Sinn Fein crime; to glance over the current pages of the *Liberal Magazine*, published along similar party lines, one could only believe that if it were not for the cruelties of British reprisals and the crimes of the Black and Tans, Ireland would be a peaceful and a happy country! As a matter of fact, while many crimes and outrages did occur, with small-sized battles and various conflicts of armed forces, Ireland was economically prosperous and many parts of the country were reasonably peaceful.

What was the Sinn Fein view? They wanted self-determination or the acknowledged right to establish a Republic, and claimed that the people had voted for self-determination—and a Republic—in the Elections of 1920 when 73 Sinn Feiners were returned to the British Parliament, 6 Nationalists and 26 Unionists, with 971,945 votes cast for the Sinn Fein, 235,206 for Nationalists and 308,713 for Unionists; they protested against all British rule, authority, right or power in Ireland as that of a

conqueror who must be driven out; they charged Great Britain with cruelty, oppression, barbaric acts of warfare, despotism, military crime, religious persecution; they claimed the alleged right of all racial entities or geographical units of people to an independent government; they asserted that the political leaders of the movement and directors of the organized bands of fighters scattered throughout Ireland represented the Sinn Fein voters of 1919 and were the *de facto* and *de jure* Government of Ireland; they claimed that up to the beginning of 1919 all the outrages and aggressive action and oppressive acts had been on the part of the British and that, as Arthur Henderson, M.P., Radical Labour leader, alleged, there were in that year thousands of armed Government raids upon a peaceful people.

They declared that Ulster was foreign in spirit and alien in patriotism to the rest of Ireland; that it had been the chief bar to a united Ireland in the days of Home Rule advocacy, in the early days of the War and in later times of Republican struggle; that England had during the past Century over-taxed Ireland and the Irish; that the Home Rule Act of 1921 meant the Partition of Ireland and the permanence of disunion, suspicion, hatred, war. Historically, they claimed, in the words of the Dail Eireann's address of January, 1921, to Foreign Nations, that "the Nation which we represent enjoyed for over 1,000 years the life of an independent Sovereign State among the States of Europe," and that "then a neighbouring nation—England—which had received the benefits of civilization and education first from our hands, lost to gratitude and to honour, and burning with lust for our possessions, burst in upon us as a conscienceless invader, and through the course of many generations strove to subvert our industry, ruin our culture, steal our trade and commerce, deprive us of the advantage of our geographical position, cut us off from our ancient intercourse with other people, rob our revenues, and erase our name from the roll of Nations." The current situation was described with similar vigour of denunciation and the patience of the people as at last being exhausted. Comment upon the history embodied in this document is unnecessary here but the statement is interesting as showing the point of view.

It was alleged that in 1917-18 there were 1456 arrests for political offences, 115 persons deported without trial, and 99 gatherings of unarmed men and women suppressed by the military; that in 1919 it became difficult for the Government to recruit for the Royal Irish Constabulary in Ireland and that an office was opened in London and soldiers of the World War enlisted, with khaki uniforms and black caps; that from the time these "Black and Tans" reached Ireland the Police force discipline broke down and a series of Police crimes commenced; that in July, 1920, another irregular force, composed of men who had held commissions in the War, was created and termed the Military Division, while the Restoration of Order Act, passed

shortly afterwards, suspended ordinary law and placed the people at the mercy of the military and police. The situation which developed in the ensuing year was known in broad outlines to the world; in its details it would require volumes to adequately describe. The Irish press teemed with stories of crime and incidents of outrage; parts of the British press reproduced them while other portions ignored them entirely; the despatches to America picked them out here and there and included the worst.

Law was not enforced in the disturbed parts of Ireland, juries feared to convict a Sinn Feiner and crime was rarely punished; Sinn Fein Courts gradually developed and tried cases of theft and minor offences with a measure of justice. The verdict of the Cork jury (Apr. 17, 1920) on the murder of Lord Mayor McCurtain illustrated one difficulty of the situation: "The murder was organized and carried out by Royal Irish Constabulary, officially directed by the British Government." The verdict was "wilful murder" against the Prime Minister of England and the Viceroy. During these months detailed lists of murders of constables, magistrates, caretakers, etc., increased greatly; attempted murders of policemen, attacks on individuals, on barracks, on patrols, on cattle, on post offices, on mail cars, on trains, on inland revenue offices, on Government buildings of all kinds, were many with 200 police barracks destroyed. In April and May and June similar incidents trebled in number. During 1919 official (British) figures had given the total of these offences or crimes at 590; in January-April, 1920, they were said to number 1220.

In August Sir Hamar Greenwood, Chief Secretary for Ireland, passed the Restoration of Order Act and in his explanation (Aug. 5, 1920) stated that: "This Bill does not supersede trial by jury or the ordinary administration of the criminal or civil courts. It is intended to apply only in those disturbed areas, at the discretion of the Irish Government, where it is impossible for the ordinary tribunals to function and I can assure the House that this discretion will be used with the sole consideration of meting out justice to the people of the disturbed areas involved." As illustrating the difficulties of the situation, he quoted a recent letter addressed to jurors in Waterford: "Take notice that it has come to my knowledge that you have been summoned as a juror at the forthcoming assizes. Now be it known to you that to obey such summons will be considered an act of treason against the Irish Republic, and you are hereby warned that you will do it at your peril.—The Competent Military Authority of the Irish Republican Army." Mr. Bonar Law, on the same date, told the Commons that during the 5 weeks ending July 31st, 17 Court-houses and 85 Police barracks had been destroyed, with 114 raids on mails—apart from murders of policemen, etc.

Toward the close of 1920 the area of Sinn Fein operations widened and Cork, Limerick, Tipperary and Kerry were placed

under martial law; in Dublin on Nov. 21 a gang of desperadoes—never accurately identified—forced their way into the Gresham Hotel, Dublin, and some private residences, and shot to death 14 officers and civilians connected with Court Martial proceedings against Sinn Feiners and wounded five others; Cork was again the scene of wild disorder and (Nov. 28) 17 cadets of the Auxiliary force were ambushed and killed; on Dec. 11 at Dillon's Cross, near Cork, two lorries full of military police were ambushed and many wounded by bombs and rifles; a series of alleged Sinn Fein fires broke out in Liverpool docks on Nov. 24 throughout an area of 7 miles. On Nov. 22 Eamonn de Valera, "President of the Irish Republic," issued a statement declaring the killing of constabulary an act of warfare: "No British soldier has a right to be in Ireland. Those who are there are guilty of making war, not a civilized war, but a barbarous war, on people who are guilty of no act of aggression against England. x x x Perfect peace between Ireland and Britain can be brought about within 24 hours by the withdrawal of these troops."

Following this, Arthur Griffith and other Sinn Fein leaders were arrested (Nov. 26) and sent to Mountjoy Prison; a series of alleged Sinn Fein incendiary fires broke out in England—in Manchester factories, on Lancashire and Cheshire farms, in the Liverpool district, etc.; on May 14 armed and masked men were concerned in shootings and burnings in London, St. Albans and Liverpool. A Parliamentary paper of Mch. 3rd stated that in 13 weeks, from Oct. 3, 1920, to Jan. 1, 1921, there had been 1,557 "outrages" in Ireland of which 958 were attacks on property and 599 on persons. Up to June 11, when the Truce commenced Ireland saw a steady persistence of violent acts; during two weeks of May and two of June there were 55 military constables killed and 32 others shot dead or found killed and a still larger number wounded. From Jan. 1st, 1919, to May 7, 1921, the total number—according to Government official statements—of alleged Sinn Fein outrages included 309 Policemen killed and 491 wounded; 102 soldiers killed and 238 wounded; 124 Civilians killed and 159 wounded—excluding the Belfast riots of June-September, 1920; 75 Court-houses destroyed and 826 R. I. C. barracks destroyed or damaged; 1,734 raids on mails and 58 on coastguard stations and light-houses; 3,138 raids for arms and 102 upon Government offices. On May 25 the famous Dublin Court-House was destroyed by fire as a military operation ordered by the Dail Eireann; it was one of the finest buildings in Ireland and erected in 1785 at a cost of $2,000,000; the loss in documents and Government valuables was put at $10,000,000.

British Reprisals and the Sinn Fein. A large part of this record of violence was defended by the Sinn Fein as being acts of warfare and made necessary by oppression and deeds of Government reprisal. To a certain extent, and in some cases, reprisals

by irregular forces were admitted. The first appears to have taken place on Sept. 9, 1919, following the murder of a soldier at Fermoy and when, according to Sir H. Greenwood in the Commons (Feb. 21, 1921) 10 policemen had been murdered and 15 wounded by Sinn Feiners. The operations at Balbriggan, where on Sept. 21, 1920, following the shooting of two constables, 150 men visited the town at night, destroyed the cottages and a large factory and killed two persons; the attack on Trun (Sept. 26), the reprisals on Mallow (Sept. 29) and at Tubercurry on Oct. 2nd, were admitted and referred to by Mr. Lloyd George at Carnarvon on Oct. 11, following, as "deplorable excesses."

Mr. Asquith and Lord Morley and Sir John Simon and other Liberals denounced these events as atrocities and compared the condition of Ireland to that of Belgium under the Germans. The Daily *News* and Manchester *Guardian* and Daily *Herald* (Socialist) indulged in vigorous denunciation of the Government along these lines, while Government speakers claimed that events very often made it impossible to avoid something of the kind. The Lord Chancellor (Lord Birkenhead) stated in Parliament on Feb. 22, 1921, as a sample cause of such acts, that near Eneristymon, Co. Clare, on Sept. 22, 1920, a party of six police were ambushed; that four were killed by explosive bullets at close quarters; that the other two crawled to the shelter of a hedge but were pulled out and killed with shot-guns.

There was no doubt as to the fact of reprisals—whatever might be the provocation. The County Judge of Clare (Mr. Bodkin, K.C.) in a report addressed to the Chief Secretary, stated early in 1921 that: "I beg to report that there came before me at the Hilary Sessions for the County of Clare 356 claims for compensation for criminal injury amounting in all to over £466,000. In a very large number of these cases it was alleged that the criminal injuries had been committed by the armed forces of the Government. x x x The total amount of the awards in cases in which it was proved that Government forces committed the criminal injuries amounted to £187,046 19s. 3d. There were in all 139 cases in which it was proved that the criminal injuries were committed by armed forces of the Government." Sir Hamar Greenwood declared (Feb. 21) that this was a partisan document and asked the Judge about the 28 murders which had taken place before the burning of the three villages with which he chiefly dealt! His general defence as stated in a Message to the *Pall Mall Gazette* on Sept. 30, 1920, was, that: "There is no truth in the allegations that the Government connive at or support reprisals. The Government condemn reprisals, have issued orders condemning them, and have taken steps to prevent them. The number of alleged reprisals is few and the damage done exaggerated."

Meanwhile, under date of Mch. 6, 1921, Cardinal Bourne of England had taken up the question of reprisals and written the

Prime Minister expressing the "grave concern" of Catholic Bishops in England as to the situation, the need for stopping all reprisals and initiating a permanent reconciliation. The Labour Party's investigation of Irish conditions toward the close of 1920 was unstinting in its condemnation and declared that "terrorism and outrage on the part of members of the Forces of the Crown in Ireland are condoned, defended and justified." In the British Commons on Mch. 21, 1921, Lord Robert Cecil (Ind.) denounced the Reprisals policy and the Black and Tans—especially for alleged crimes committed in and around Drogheda. He quoted a letter from Cardinal Logue to the Bishop of Southwark as to conditions in Armagh: "With the assistance of the priests, I have done my best to keep things quiet in this Diocese. Hitherto we have had comparative peace, but the forces of the Crown seem determined that we shall suffer like the rest. There is a group of Black and Tans at Gormanstown, on the borders of the Diocese, and while that camp remains we may give up all hopes of peace or safety. It seems to be a nest of bandits and homicides."

Lord Robert also read from the Lenten Pastoral of the Bishop of Killaloe declaring that "the heroism with which people face and endure this daily martyrdom is a spiritual marvel. Nothing but the supreme and sustaining power of faith can explain it. No one wants violence, but even though the violence complained of on the Irish side were infinitely greater than it is, it would not justify the savage barbarity now practiced on our people, innocent and guilty alike." In April a document was presented to the Prime Minister signed by 8 Bishops of the Church of England, the Chairmen of several great religious bodies, and the Moderator of the Presbyterian Church of England and the President of the Wesleyan Methodist Conference. In it these distinguished clergymen denounced "the absolute unlawfulness of the attempt to overcome wrong, however flagrant and provocative, by means of further and indefensible wrong." The additional statement was made that the Government's present policy was causing "grave unrest throughout the Empire and exposing us to misunderstanding and the hostile criticism even of the most friendly of the nations of the world."

In the Lords on Apr. 26 Lord Parmoor, K.C.V.O., read a letter from his brother, as to the Castleconnell Hotel attack by 60 Black and Tans who, the letter declared, behaved like Red Indians; he had witnessed the incident and the murder of the landlord of the Hotel. Lord Parmoor demanded an enquiry, which the Government stated was being held. H. W. Massingham and other Radical English writers were bitter in their denunciation of these reprisals; Mr. Massingham in the London *Nation* on Mch. 19 drew a vivid picture of alleged conditions and compared the Black and Tans to the Hessians of old—with "a free hand in the persecution of the Irish peasants." As proof, he cited these facts: "In the R. I. C. there have been 2,197

resignations; 226 dismissals; 19 court-martial cases, in 16 of which the finding was against the accused. In the Auxiliary Division there have been 131 resignations, 33 dismissals, 15 court-martial cases, 8 cases in which the finding has been against the accused." The most notable official admission was that of Lord FitzAlan, the new Lord Lieutenant of Ireland, and a leading English Catholic who, at a Belfast luncheon on June 7, after denouncing the growing indifference to the crime of murder, said:

> The force in this country commonly called the Black and Tans are accused of committing serious and grave crimes. Yes; but it is unjust to say that because crimes have been committed the whole force should be, so to speak, charged as being guilty of those crimes. This is not justice. It is true—let us be frank about these things—that crimes, horrible crimes, have been committed by members of this force. You may find explanations, but there is no excuse for any force committing these crimes. Provocation? Yes. Explanation? Yes. This force was hastily enlisted and hurriedly set to work without proper discipline. Mistakes, no doubt, have been made owing, perhaps, to the great hurry. None the less these crimes have been committed.

Such is a brief survey of the Sinn Fein case. Between 1918 and 1921 the statistics of crime in Ireland were given variously as from 8,000 to 10,000. In the Commons (*Times*, Feb. 25, 1921) Sir H. Greenwood gave the figures of alleged Sinn Fein outrages as follows: 1918, 609; 1919, 599; 1920, 9,171; January, 1921, 575—total 10,954. How many of these were acts of irregular Sinn Fein forces and not of the Irish Republican Army will never be known; that any of them were or could be considered acts of war was scouted by the Loyalists and the Government. That they were, for a time, effective, was obvious by the situation which Mr. Lloyd George described during a speech in the Commons on Feb. 15, 1921—as existing in July, 1920: "The Irish Republican organization had all the symbols, and they had all the realities of a Government. The Courts of the Crown were superseded. They were deserted by witnesses; they were boycotted by jurors. Jurors never came there, and litigants never appeared. Sinn Fein courts were held openly, attended by litigants, jurors and advocates, and their decisions were respected. The Sinn Fein police patrolled the towns. The head of our Police told me how, when he went there, he was held up by a Sinn Fein police patrol. That is six months ago. The police were besieged in their barracks. There were 600 of them murdered. They could hardly ever go out. They were boycotted; they were insulted. Their wives and children were boycotted and insulted. The necessaries of life were denied them."

He then described the great change which had since taken place and which he credited to a strong coercive policy. The situation was practically war, yet it was not war in any recognized international sense; there were few actual conflicts between armed bodies, though there were some; the bands were of the guerilla type and akin to those which made the Boer war so difficult and so lengthy—they resembled those of Carlist up-

risings in Spain and in some of the South American insurrections. On the other hand, as the New York *Tribune* (May 18, 1921), put it: "The conduct of the British forces has not been the conduct of an army conducting regular military operations; it has been police work, under martial law, to restore order, and it can function only upon the appearance of undisguised disorder." The general British reply as to reprisals was (1) that all stories of reprisals come from a "tainted source"—the Sinn Fein propaganda department; (2) that reprisals were often alleged against police and soldiers acting in self-defence; (3) that lawlessness by men in the uniforms of the Army or Police was not necessarily the work of soldiers or policemen. Sinn Fein had stolen many sets of uniforms, and was not adverse, it was alleged, to committing crimes when disguised in Army or Police dress.

Back of all the disorder of the period, however, was the fact which made peace with honour possible—the fact that the mass of the Irish peasantry passionately loved their country and loved what they believed to be liberty better than the peace and quietness of life. Crime might be there, bitter misunderstandings might exist, past sufferings be cherished until hatreds were engendered; but, they really wanted national rights and national unity and, without quite knowing it, British comprehension of their ideals and idealism. Had Home Rule been given them in 1914-15 there would, it is safe to say, have been no Rebellion in 1916, no refusal of Conscription there or in Australia; the splendid troops they did send to the front, and in a degree more numerous than is generally believed, would have been multiplied many times; Ulster would, in the end, have had little to regret and the extremists in both North and South would have found their level. But there was a longer and more bitter road to travel before Irish unity and freedom could be achieved.

The British View of Ireland: The British Government and Sinn Fein.

The English people did not understand the Irish situation but there were certain things which they believed, or thought they knew, as an outcome of the long political struggle over Home Rule. The great Protestant majority of the English people were told, and in the main believed, that the Irish Parliament of 1800 had abused its powers and position and deserved abolition; that the troubles which followed were not caused by lack of a Parliament, but by differences between Protestants and Catholics; that oppression and misgovernment of which the Irish complained, were, in any case, matters of another century, and now far distant, with faults on both sides; that the United Kingdom had, at the Union, assumed a National Debt of £147,000,000 on which Ireland had since paid nothing but the interest; that England had since assumed large liabilities in respect to Loans made to enable the Irish tiller of the

soil to own his land; that during the Napoleonic wars from 1801 onwards, a total of over £300,000,000 had been raised by Great Britain in respect to the war taxes of that period with Ireland exempted from all liability; that during the World War England had to keep 50,000 troops in Ireland who were badly needed elsewhere and to relieve the Irish from nearly all restrictions under the Defence of the Realm Act; that Ireland had representation in the British Parliament as did England, Wales and Scotland, and a far-reaching influence upon politics and the life of Governments; that the Irish people had retained all their Imperial representation despite decreasing population and, latterly, had one member to 43,000 people while England had one to 70,000 persons.

It was claimed that, along economic lines, British legislation of the past century had been for the betterment of Irish conditions, the monetary support of the people, and social improvement generally; that by the Land Act of 1870 compensation was granted to tenants for arbitrary eviction and for improvements effected—with certain facilities to tenants for the purchase of holdings; that 1881 amendments to this Act conferred on Irish tenants the right of fair rent—to be fixed by a Court, if desired—with fixity of tenure through a certain right in holdings which forbade arbitrary eviction without compensation and gave the right of sale under certain conditions; that this 1881 legislation empowered a Land Commission to advance loans to tenants not exceeding three-fourths of the value of holdings to be repayable at 5 per cent. interest within 35 years; that the Land Acts of 1887 and 1896 extended these privileges or rights while the Land Purchase Act of 1891 supplied the Land Commission with further funds for advances to tenants in the purchase of holdings; that this Act was amended in 1903 to enable tenants to buy the farms and become entirely independent of landlords with payments upon the installment plan—the seller accepting a mortgage for a term of years and the Government guaranteeing part payment at current rates of interest.

Many of these beliefs and claims were justified by the facts, others were somewhat distorted; but right or wrong, they were the basis upon which Home Rule was for long regarded as a negligible issue, as the creation of politicians and agitators, or the outcome of religious differences and prejudices. The outstanding feature of the situation in the World War was the English inability to understand that trusting people of a Celtic temperament would almost certainly win their support and sympathy; that had Ulster waived its fears and objections Redmond would have been the loyal leader of a united people and De Valera, perhaps, never heard of. But the crucial moment passed, the Home Rule Act was hung up, suspicion and doubt developed into hostility, the Rebellion of 1916 sowed new seeds of enmity and the Irish Republican Army of 1921 was a final fact. Upon two points Great Britain was convinced even in

the latter days of alternate negotiation and civil strife—(1) that if Southern Ireland had a right to any form of self-determination or Home Rule so had Ulster and (2) that an independent Irish Republic would be a menace to England's National security. Behind all the Government's policy and Lloyd George's pronouncements were these basic beliefs. As to the latter point, Admiral A. T. Mahon, the great American Naval writer, was quoted as follows:

> Practically regarded, it is impossible for a military man, or a statesman with appreciation of military conditions, to look at the map and not perceive that the ambition of Irish separatists, if realized, would be even more threatening to the national life of Great Britain than the secession of the South was to the American Union. It would be deadlier also to Imperial aspirations; for Ireland, by geographical position, lies across and controls the communications of Great Britain with all the outside world, save only that considerable but far from preponderant portion which borders the North Sea and the Baltic. Independent and hostile, it would manacle Great Britain.

Upon the revolt which developed in 1920-21 and the subject of reprisals the British Government view was definite. It was claimed to be a peculiar and exceptional kind of warfare. As General Sir Nevil Macready, Commander-in-Chief in Ireland, stated—according to a quotation in a Court of King's Bench judgment on Feb. 25, 1921: "The scheme of the said warfare does not entail fighting in distinctive uniforms. or in accordance with the laws of war, but under a system of guerilla attacks in which inhabitants, apparently pursuing peaceful avocations, constantly come together and carry out guerilla operations which often result in the death of, or serious injuries to, members of His Majesty's forces at the hands of people who are posing as peaceful citizens." In the Commons on Oct. 20, 1920, Sir Hamar Greenwood quoted the following I. R. A. official order as to Police or Soldiers: "Small groups of snipers should be posted so as to cover their line of advance, ready, as soon as opportunity offers, to direct an effective fire on them. If possible, they should be cut off from their base, and annihilated."

The reply to this was by instructions given to the Constabulary and quoted, as follows, by Denis Henry, Irish Attorney-General (Commons, June 22, 1920): "They are to behave in precisely the same way as they would do on a field of battle. If they have reason to suspect that a person approaching them is in possession of deadly weapons, they are to call upon him to put up his hands and, failing his doing so, they are to fire upon him." In General Macready's Proclamation as to Martial Law in 4 Counties of Ireland (Dec. 12, 1920) he used these words: "Great Britain has no quarrel with Irishmen; her sole quarrel is with crime, outrage and disorder; her sole object in declaring martial law is to restore peace to a distracted and unhappy country; her sole enemies are those who have countenanced, inspired and participated in rebellion, murder and outrage." As to reprisals, Sir H. Greenwood quoted an order in

the Commons on June 1st, 1921, which he had issued on Dec. 4 preceding; it applied to all Ireland, and declared that, whatever the provocation, "the only justification of the burning and destruction of buildings is that they are used as shelters for ambushes or for firing on the forces of the Crown." Reprisals, he added, had never been encouraged, or condoned, but had always been condemned, and many people had been severely disciplined because of unofficial reprisals. The Government's defence was reiterated by Mr. Lloyd George in his reply to the Bishop of Chelmsford and others on Apr. 20, 1921:

> Can it be contended that when a rebel organization, which is based on the repudiation of constitutional action in favour of violence, sets to work to achieve its ends by the deliberate and calculated murder of the members of a Police force, 99 per cent. of whom are Irish, and 82 per cent. of whom are Roman Catholic, which has always held an extraordinarily high reputation for tolerance and good-will to the population it served, that the Government should stand idly by? x x x That there have been deplorable excesses I will not attempt to deny. Individuals working under conditions of extraordinary personal danger and strain, where they are in uniform and their adversaries mingle unrecognizably among the ordinary civilian population, have undoubtedly been guilty of unjustifiable acts. A certain number of undesirables have got into the Corps, and in the earlier days discipline in the novel and exacting conditions took some time to establish.

It was claimed in Great Britain that the movement was one of secret murder and not open warfare; that Irishmen dared not testify in trials because of the danger of being shot; that the leaders of Sinn Fein were not pure Irish—De Valera, an American citizen born in New York, the son of a Spanish father and Irish mother, Griffith a Welshman, Padraic Pearse the son of an Englishman and Irish mother, Thomas Johnstone, the Labour leader, and Erskine Childers and Dr. Smith Gordon—all Englishmen; that there were absolute proofs of a Sinn Fein plot to aid the Germans and these were made public in a State paper with a later admission of their truth by Miss McSwiney in her evidence before the Villard Committee at Washington in January, 1921; that Mr. de Valera had negotiated a Treaty with the Soviet Government of Russia—the text being seized by Government troops and published on June 9, 1921.

As to Sinn Fein in general Mr. Lloyd George presented his view as follows (Apr. 20, 1921): "Sinn Fein rejected Home Rule and demanded in its place an Irish Republic for the whole of Ireland. Sinn Fein went further; it deliberately set to work to destroy conciliation and constitutional methods, because it recognized that violence was the only method by which it could realize a Republic. The Rebellion of 1916 was its first blow to conciliation and reason. Its refusal to take part in the Convention was the second. Its proclamation of a Republic by the Dail Eireann and abstention from Westminster was the third. Its inauguration of the policy of murder and assassination in order to defeat Home Rule, rather than to discuss the Home Rule Bill in Parliament or enter upon direct conference outside,

was the fourth." He and the Government claimed the issue to be between Secession and Union and, over and over again, declared that they would not compromise on that issue, nor would they coerce Ulster.

Government speakers quoted stories of alleged Sinn Fein crime from Ireland which carried horror to the hearers; Liberal speakers quoted tales of ghastly reprisal. One of the former is thus described in a Dublin despatch to the New York *Tribune*, Apr. 18, 1921: "Kitty MacCarron, who was about 45 years old, lived with her parents, octogenarians, in a wild and mountainous part of Monaghan. About midnight a party of masked men entered, fastened her hands behind her back and led her, pleading pitifully, about a mile to the main road, by the side of which the body was afterward found with a bullet wound through the cheek, which is the customary sign of Sinn Fein executions. A card on the body was inscribed: 'Spies and informers, beware! Tried, convicted and executed by the Irish Republican Army.' "

The Position of Ulster; A New Parliament and New Conditions.

Ulster originated as a distinctive community in the reign of James I. English and Scotch settlers were then shipped into the country in large numbers and finally constituted the so-called Plantation of Ulster; they had been coming in gradually under special charters and grants of land during two preceding reigns; they were, as a rule, Protestants and found themselves mixed up with native Irish Catholics and beside a large population, to the south, of that race and faith. The Siege of Derry and the days of Cromwell gave them a first lease of real power and embedded militant Protestantism in their creed of Patriotism. Their development was slow but steady and they were especially successful along certain lines of industry; their temperament was the business one characteristic of England and Scotland rather than of Ireland, and their success was of a commercial nature based upon similar conditions and capacity.

The population of the Province was, at the 1911 Census, 1,581,696 of which 690,816 were Roman Catholics with majorities of that faith in the counties of Cavan, Donegal, Fermanagh, Monaghan and Tyrone; there were Protestant majorities in Antrim, Armagh, Down, Londonderry; by the 1920 Government of Ireland Act the County of Monaghan, with 53,363 Catholic population to 18,092 non-Catholic, Cavan with 74,271 Catholic to 16,900 non-Catholic and Donegal with 133,021 and 35,516, respectively, were omitted from the new Ulster, which totalled, roughly, 820,372 Protestants and 430,161 Catholics. The acreage of Ulster (9 Counties) was 5,331,626 compared with 4,847,731 in Leinster, 5,963,556 in Munster and 4,228,211 in Connaught. There was no doubt in the later years as to the greater wealth of Ulster compared with Southern Ireland and, in recognition of this fact, the Home Rule Act of 1920 provided that this Province should

pay 45 per cent. of the total sum to be contributed by Ireland to the Imperial Exchequer though its population was only one-third. According to a careful editorial comparison of North and South Ireland in the New York *Tribune* (July 8, 1921) the facts were as follows:

> Details seem to support the general conclusion that Ulster is relatively the richer and more progressive. The valuation of the Province is $38,000,000 and of the rest of Ireland $58,000,000. Ulster's taxes, as levied by local authority in both cases, are lower. The foreign trade of Ulster's ports in 1920 aggregated $35,000,000 in value and that of the ports of the rest of Ireland was substantially the same in amount. The factories of Ulster turn out goods of twice the value of the product of the rest of the Island. Nor does this mean neglect of agriculture, for Ulster has 1,728,436 acres under cultivation, against 3,598,000 acres in Southern Ireland. The Savings Bank figures suggest that Ulster is much the more thrifty, and in the fields of education, literacy, and the like the comparison is even more strongly in Ulster's favour.

In these later years of turmoil, however, an essential feature of the situation lay in the aggressive Protestantism of Ulster or of that portion which supported this faith. It was of the Scotch type—determined, strong and deep-seated in a tradition and patriotism which were Scotch more than Irish; the opposing Catholicism was equally rooted in the past, in traditions, also, of persecution and was associated with a temperament which, in an eminent degree, combined religious faith with love of the land as a purely local patriotism. Religion was not the sole cause of current troubles but the divergence in belief, added to racial differences and the traditional animosities of the past, helped to provide the atmosphere of suspicion out of which came much of the hostile spirit and action of the time.

The majority in Ulster claimed that Ireland had never been a united nation and that its original divisions had been separate entities under semi-independent Kings; that the Scotch-Irish of Ulster were a distinct race with affiliation to Scotland rather than with Southern Ireland; that all the arguments for Home Rule and self-determination as against Great Britain applied with equal force to Ulster as against the South; that instead of Ireland being over-taxed by Great Britain it was the other way about through British expenditures in Ireland and British assumption of the Irish Debt of $735,000,000 in 1817; that less than 5,000 men were at the back of the crime-wave of 1920 and the Republican force effort and that these were maintained by American money; that majority rule in a united Ireland would mean determined efforts to control Education and levy taxation in the interest of the dominant faith; that Ulster was tolerant to its local minority as shown by the fact that at the close of 1920 the Roman Catholic population had 112 representatives on County Councils and the Protestant voters 123. Such were the contentions of Ulster and the Ulster spirit at the back of the Covenant which its Protestant people took in 1912 under the leadership of Sir Edward Carson:

Being convinced in our consciences that (all-Ireland) Home Rule would be disastrous to the material well-being of Ulster, as well as the whole of Ireland, subversive of our civil and religious freedom, destructive of our citizenship, and perilous to the unity of the Empire, we, whose names are undersigned, men of Ulster, loyal subjects of His Gracious Majesty King George V, humbly relying on the God Whom our fathers in days of stress and trial confidently trusted, do hereby pledge ourselves in solemn Covenant, through this our time of threatened calamity, to stand by one another in defending for ourselves and our children our cherished position of equal citizenship in the United Kingdom, and in using all means that may be found necessary to defeat the present conspiracy to set up a Home Rule Parliament in Ireland. And in the event of such a Parliament being forced upon us we further solemnly and mutually pledge ourselves to refuse to recognize its authority.

With the enactment and partial realization of Home Rule, Ulster became a Dominion of the Empire; Southern Irish leaders refused the status but elected members to the new Southern Parliament so as to show a decisive majority against it and, at the same time, prevent it from sitting or acting. Lord Edmund Talbot, President of the English Catholic Union and a brother of the late Duke of Norfolk, was appointed Lord Lieutenant of Northern and Southern Ireland and created Viscount FitzAlan; Sir Edward Carson refused the Premiership of Ulster and accepted the post of Lord Justice of Appeal with a Peerage while Sir James Craig, M.P., became leader and Prime Minister. The Gevernment of Ireland Act came into operation on May 3rd, 1921, and the Elections took place on May 31 with two appeals to the Ulster electorate backed by the Union Jack and Republican tri-colour respectively. Sir James Craig urged his followers to: "Rally round me that I may shatter our enemies and their hopes of a Republic flag. The Union Jack must sweep the polls. Vote early, work late. The eyes of our friends throughout the Empire are upon us. Let them see that we are as determined as they to uphold the cause of loyalty."

Mr. de Valera issued the following: "Vote to-morrow against war with your fellow-countrymen. Vote that brother's hand may not have to be raised against brother's. Vote so that there may be an end to boycott and retaliation, to partition, disunion and ruin. Make a genuine people's peace. Live in history as having created a truly united Irish nation." The result (May 24) showed a Unionist majority with (unofficial but approximately correct figures of) 341,289 Unionist votes, and 4,000 more to be added from University polling on May 28, to 103,516 Sinn Fein and 4,763 scattering. The Unionists held 40 seats against 6 Nationalists and 6 Sinn Fein but the latter, including Arthur Griffith, did not take their seats. Arrangements were at once made to invite the King and Queen Mary to open the new Parliament on June 22nd and the invitation was accepted. Despite fears as to the personal safety of Their Majesties, and riots which developed in Belfast on June 14, they were given a great reception and the ceremony was one of brilliant effect-

iveness. In his Speech to the new Parliament King George used language which was widely quoted and discussed:

For all who love Ireland, as I do with all my heart, this is a profoundly moving occasion in Irish history. I could not have allowed myself to give Ireland by deputy alone my earnest prayers and good wishes in the new era which opens with this ceremony, and, therefore, I came in person, as head of the Empire, to inaugurate the Parliament on Irish soil. x x x This is a great and critical occasion in the history of six Counties, but not for the six Counties alone, for everything which interests them touches Ireland, and everything which touches Ireland finds an echo in the remotest parts of the Empire. Few things are more earnestly desired throughout the English-speaking world than a satisfactory solution of the age-long Irish problems which for generations embarrassed our forefathers as they now weigh heavily upon us.

Most certainly there is no wish nearer my own heart than that every man of Irish birth, whatever his creed and wherever may be his home, should work in loyal co-operation with the free communities on which the British Empire is based. x x x The eyes of the whole Empire are on Ireland to-day, that Empire in which so many nations and races have come together, in spite of ancient feuds, and in which new nations have come to birth within the lifetime of the youngest in this hall. I am emboldened by the thought to look beyond the sorrow and anxiety which have clouded of late my vision of Irish affairs. I speak from a full heart when I pray that my coming to Ireland to-day may prove to be the first step toward an end of strife among her people, whatever their race or creed. In that hope I appeal to all Irishmen to pause, to stretch out the hand of forbearance and conciliation, to forgive and to forget, and to join in making for the land which they love a new era of peace, contentment and good-will.

The Government of Ulster, as it met the Parliament, included Rt. Hon. Sir James Craig, Bart., Prime Minister; Rt. Hon. H. M. Pollock, Finance; Rt. Hon. Sir R. D. Bates, Home Affairs; Rt. Hon. J. M. Andrews, Labour; the Marquess of Londonderry, Education; Rt. Hon. E. M. Archdale, Agriculture and Commerce. The Senate was elected by the Northern House of Commons and included six Peers, three Labour Unionists, the Mayors of Belfast and Londonderry, *ex-officio*, and 15 others with the Marquess of Dufferin and Ava as Speaker. During ensuing months of the year while Conferences were being held and negotiations proceeding, Ulster was the scene of many murders and crimes, and Belfast of varied riots and fierce fighting and criminal inter-change between the rival factions; there was, also, much unemployment due, in part, to general depression but helped, also, by Southern trade boycotts. Toward the end of 1921 Ulster was losing much of its market in the South—by cancellation of contracts, Sinn Fein blacklists and merchants' refusal to renew orders. While the negotiations of this period were going on, Lord Carson maintained his old opinions and attitude of "No Surrender." In the Lords on Dec. 15 he bitterly denounced the Coalition Government and the Act of 1920:

I defy anybody to show me anything in that document but one provision, and that is that Great Britain should scuttle out of Ireland. You may talk of a Free State, you may put window dressing in about status of the Colonies, but from the beginning to the end of this document there is nothing except that England, beaten to her knees by the guns

of the assassins, says: 'We are willing to scuttle out of Ireland and leave to the tender mercies of the assassins everybody who has supported us.' "

The Church of the Majority in Ireland; Its Official Attitude in 1920-21.

The Roman Catholic Church at this period had a most difficult part to play. Its faith, upon the whole, was the faith of the Sinn Feiners, many young men of its parishes throughout Southern Ireland were in the Irish Republican Army; with the exception of a very few, the Irish leaders in the movement were of the Church as were its chief supporters in the United States; in Australia and Canada the Irish Catholics were divided and, very largely, the English adherents of the Church were opposed to Sinn Fein doctrines. A few of the Bishops and some of the priests apparently were in sympathy with the Republican movement; officially and vigorously the Church was opposed to all outrage, crime, rebellion.

So far as the troubles of these years were reported in the press, they did not indicate religion as being the chief cause, though, undoubtedly, it was at the root of much violence in both Ulster and Southern Ireland. Dr. C. B. Dowse, Protestant Bishop of Cork, speaking to his Synod on Oct. 26, 1921, said: "We thankfully recognize that throughout our Diocese so many Churchmen and Roman Catholics live side by side on terms of friendship and goodwill." As a matter of fact Thomas Davis, the poet of Irish Nationalism, had been a Protestant as were Emmett and Mitchel and Parnell; two members of the Sinn Fein "Government" were of the same faith. Many if not, indeed, the majority of those killed in the troubles of the period, were Roman Catholics.

As a rule the Catholic Hierarchy were free in their denunciation of British power in Ireland, of the Military régime of these years, of English opposition to Home Rule and the vague policy of Self-determination, of the alleged cruelties of retaliation. They had keenly opposed Conscription and had vigorously fought the proposed Education Bill of 1920. As the Archbishops and Bishops of the Church declared at Maynooth on Jan. 27th of that year: "Until Ireland is governed by her own Parliament, we shall resist by every means in our power any attempt to abolish the Boards of Primary, Intermediate, and Technical Education; the Bill is an attempt on the part of the British Government to grip the mind of the people of Ireland and form it according to its own wishes. We are convinced that the enactment of the measure would deprive the Bishops and clergy of such control of the schools as is necessary for that religious training of the young which Leo XIII declared to be a chief part in the cure of souls." This document was signed by Cardinal Logue and, ultimately, the Bill was withdrawn. A natural ensuing action was the unanimous election of Mr. de Valera as Chancellor of the National University of Ireland.

In the Irish churches of Feb. 15, 1920, a Lenten Pastoral was read from the Cardinal which was explicit in declaring (1) "that the partition of Ulster would perpetuate the jealousies, rivalries, dissensions and unjust discrimination, which for centuries have been the bane of Ireland"; (2) that as to crime and outrages "drastic repression is on one side; on the other retaliation, lawlessness, and crime, such as all men guided by God must regret and reprobate." He believed these crimes to be reprobated by the bulk of the Catholic Irish people, whatever their political views, and ascribed the outrages to a few irresponsible, desperate hot-heads, probably emissaries or dupes of Secret Societies. Archbishop Harty of Cashel on Jan 25 (1920) denounced recent crimes with vigour: "Armed raids on police barracks, the wiful murder of a constable, and an attack by the police on undefended and inoffensive homes, call for universal condemnation and reprobation. With all the authority I can command, I condemn these crimes as a most grave violation of the laws of God."

Dr. Kelly, Bishop of Ross, was even more explicit, and, speaking at Cork on June 10, would not admit that there was a war going on: "I say it is murder if English soldiers shoot Irishmen. Also it is murder if Irishmen shoot policemen. There can be no such excuse as 'We got our orders from headquarters.' Headquarters has no power to issue such orders, and in issuing them they would violate the law of God and the Christian religion." Shortly before this the same Bishop, in addressing the Council of Agriculture at Dublin—of which, for 14 years, he had been an active member—dealt with economic conditions first, and then turned to the general situation: "The Council should consider if the movement going on around us is political—to improve the government of Ireland, as we have been accustomed to it all our lives; or if it is not rather drifting into social revolution which breaks up the institutions of a country, its methods of work and employment, its ownership of property, and aims at evolving a new form of society. Such social revolutions have been tried in the course of history; they have produced great sufferings and ended in failure." He opposed a Republic, sought or obtained through violence, and pointed out that by "the Acts of 1898 and 1899 the Irish people and their elected representatives got control and management of their local government, their country and city affairs, their agriculture and fisheries, their technical education, their poor and sick."

Meanwhile, Sectarian strife had shown itself in Ulster as lawlessness did in the South and, on Aug. 2nd, Cardinal Logue banned political gatherings in the County of Armagh with a reference to "destruction of life, destruction of property, repression and retaliation, sacking of towns by armed forces of the Crown and, to complete our misery, outbursts of sectarian strife, resulting in the loss of many useful lives." In a letter read in Dundalk churches on Aug. 29, the Cardinal denounced

the recent murder of a Constable at that place: "The poor victim I know to have been a quiet, upright man who never gave offence to anyone in the discharge of his duty. Am I to be told that this is an act of war; that it is lawful to shoot at sight anyone wearing a policeman's uniform, and honestly discharging a policeman's duties? I prefer to call it by its true name—cold, deliberate, wilful murder. Hence, anyone who plans, encourages, abets or even sympathizes with such an act, participates in the guilt before God." With equal force he denounced Government reprisals, raids, burnings, etc.: "Crime does not excuse crime."

Following these utterances came the beginnings of conciliation, which first took form in a statement by Cardinal Bourne, Primate of England, to *The Times* (Nov. 12): "What comparatively few held ten years ago would, I feel confident, be accepted by an immense majority in England at the present time. They long to see in Ireland the widest possible system of self-government; but they are passionately attached to two other things, namely, the maintenance of the link, so frail in outward seeming, which is sympolized in the Crown; and the safeguarding of the essential defences of the Empire. Given these two things, I am confident that there need be no limit, so far as most dwellers in England are concerned, to the self-government of Ireland." He and most Englishmen would like to see British troops removed from Ireland: "But it would be misleading not to admit that there is apprehension as to the consequences of this withdrawal. It is allowed that there is actively at work in Ireland a Secret oath-bound Association using as its weapon assassination; an association, therefore, to which no Catholic who is obedient to the Church can possibly belong." Sinn Fein, he added, was "apparently unable to control this murder gang."

To this Dr. Cohalan, Bishop of Cork, replied on the 14th by declaring that what was wanted was "a big, generous scheme of an Irish Parliament. You ask me, have I any hope of a settlement? And I reply—though I find no one agreeing with me—that I am hopeful." He, however, deprecated a permanent partition of Ulster, any financial provisions which were not big and generous, minority protection at the expense of the majority. He expressed doubts as to the Secret oath-bound Society: "Many take the erroneous view that because the elected representatives declared a Republic, Ireland is a Republic. The transition to the claim to shoot members of the Army of occupation is easy. Add to that, from the beginning of the trouble, reprisals on policemen who exceeded their duty, and you have an explanation of the murders." At this time, also, Dr. Gilmartin, Archbishop of Tuam, had a statement in the London *Universe*:

1. I have always denounced the shooting of police or of other servants of the Crown as murder (outside recognized cases of self-defence). The Irish people have no sympathy with crimes of this kind, but many of them do not care to speak openly. They are longing for an honourable peace.

2. As one crime does not justify another, I have also denounced reprisals. The gaping wounds in the town of Tuam remain still unhealed, and so far we have got no official assurance that compensation will be made for the damage admittedly done to innocent people by the servants of the Crown.

3. The persecution of Catholic workmen in Belfast is a crime and disgrace to all concerned. If there was an honest will to restore them without prejudice to their natural rights, a way could be found.

4. Since the sack of Tuam on June 20 no servants of the Crown have been molested in this district. But on their side much trouble has been given, culminating with the arrival of the Black and Tans some four weeks ago.

He urged a "Truce of God" with the first step to come from the Government: "Let them propose a truce, introduce and pass a full measure of Home Rule, including full fiscal control, and forthwith, in my opinion, serious strife will cease." On Nov. 27, 1920, Cardinal Logue denounced a recent crime in strong terms and added: "Patriotism is a noble virtue when it pursues its object by means that are sincere, honourable and in strict accordance with God's law. Otherwise it degenerates into a blind, brutal, reckless passion, inspired, not by love of country, but by Satan, who was a murderer from the beginning. The perpetrators of such crimes are not real patriots, but the enemies of their country." On Dec. 5 Archbishop Harty, speaking at Thurles, urged support to Dr. Gilmartin's "Truce of God" and quoted Archbishop Walsh of Dublin as in favour of the proposal.

It was at this time that Archbishop Clune of Perth, Australia, was making his vain effort for peace; in Cork on Dec. 12 there was read in the churches of the Diocese Bishop Cohalan's decree (Cork *Examiner*, Dec. 13) in these terms: "Besides the guilt involved in these acts by reason of their opposition to the law of God, anyone who shall, within this Diocese of Cork, organize or take part in an ambush or in kidnapping, or otherwise shall be guilty of murder, or attempt at murder, shall incur by the very fact the censure of excommunication." Speaking as to this on the preceding Sunday, the Bishop said: "The killing of the R. I. C. men is murder, and the burning of barracks is simply destruction of Irish property. x x x There is not much risk to the ambushers, personally, but by this time boys or men taking part must know that by their criminal acts they are exposing perhaps the whole countryside to the danger of terrible reprisals." As to the rest: "Let there be no doubt about it; there is no doubt about it; these ambushes are murderous, and every life taken in an ambush is murder."

An incident of this period which created much comment in England was the appeal of the Irish Hierarchy to the Church in Belgium to support the plan of a Tribunal of Enquiry into Irish conditions, and the reply of Cardinal Mercier and his Bishops in Liége, Bruges, Namur, Tournai and Ghent, on Dec. 1st. In this latter document the lofty, historic position of the Church in Ireland was eulogized, it was praised for interfering when en-

thusiasm misguided its followers and for condemning crime wherever it occurred. Co-operation in the demand for an enquiry was promised and this statement added: "We have not forgotten that the British Government was the first to espouse the cause of right with us, when our country was subjected to unjust aggression and the atrocities of an invader without conscience. On the day when the enquiry which you solicit shall have established that the Irish people seek not injustice, but liberty and its rights, a new era of consolation and hope shall open for you. We, who to-day, associate ourselves so cordially with you in your trial, shall not fail to share with you in your consolation and your joy."

Following the publication of this letter to Cardinal Logue, Admiral Lord Walter Kerr, then President of the Catholic Union of Great Britain, addressed on Dec. 10 a reply to Cardinal Mercier which reviewed the peaceful condition of Ireland in 1915, the creation of the Easter rebellion of 1916 as part of an alleged German plot, the ensuing record of deeds of violence, and declared that no Enquiry, such as proposed, was possible because witnesses would not dare to testify. He deprecated the attitude of the Hierarchy and declared that: "No corporate effort has been made by the spiritual leaders of Ireland to stamp out the murderous spirit which is a reproach to their people and their faith." To this latter statement the English Hierarchy took immediate exception and the Bishop of Northampton, in particular, wrote a strong repudiation to *The Times*.

Attitude and Opinions of Archbishop Mannix. The position taken by this Prelate was almost an international question in 1920. In Australia, where Dr. Mannix—originally Professor of Philosophy at Maynooth College, Ireland—had been appointed Archbishop of Melbourne in 1912, he was both highly regarded and bitterly criticized; he was popular with a large section of the Irish population of the Commonwealth, the subject of keen denunciation by Mr. Premier Hughes as the head and front of opposition to Conscription during the War; in leaving Melbourne during March, 1920, to visit Rome, the United States and Ireland, 30,000 people were said to have lined the streets of Melbourne to see him off.

At New York, on July 18, 15,000 people cheered him at a great demonstration where he was introduced by Archbishop P. J. Hayes of New York as "welcomed by two Republics—the United States and Ireland." Mr. de Valera also spoke and was presented as "The President of the Irish Republic." According to the report in the New York *Tribune*, Dr. Mannix referred to "the triumphal march" which he had experienced from the Golden Gate in San Francisco to this great city: "It has been delicately suggested," continued the speaker, "that I may not be allowed to land on British soil. I have no intention of trying to land on British soil. I am going to land on the soil of the Irish Republic." The Archbishop then visited Washington and Card-

inal Gibbons at Baltimore. On July 20 he spoke at a meeting in the Hotel Astor, New York:* "I have no sympathy with crime or disorder, but I believe that the resistance shown by the Irish people to British tyranny in Ireland is well grounded in morality and justice. Moreover, I believe in the truth of the wise saying that 'you cannot make an omelet without breaking eggs.' "

On Aug. 9, following, the steamer *Baltic* with the Archbishop on board, passed the shores of Ireland and, near the English coast, a destroyer under Government orders took Dr. Mannix off and landed him at Penzance whence he travelled by train to London. To *The Times* (Aug. 10) the Archbishop declared that this action would make the Government a laughing stock, that he intended to press his right to go to Ireland, that he was proud of having fought Conscription in Australia and stood by every word he had uttered in America. During the ensuing months he spent in England, Dr. Mannix did not have a great deal to say; the Government would not permit of his going to Ireland and he abandoned the intention of doing so. A reception was given for him by 300 of the priests of the Province of Westminster with Mgr. O'Grady and the Bishops of Portsmouth, Southwark and Cloyne present.

In his speech† the Archbishop was moderate, suggested an Irish plebiscite on the issue, would accept Dominion Home Rule if it should prove the wish of the people, did not think "any Irishman would give a fig for the word of any British Minister," stated that "one of the greatest hindrances to good feeling in Australia is this eternal Irish question," and described himself in these succinct words "I was an Irishman before I was an Archbishop and I remain an Irishman in spite of being an Archbishop." To him, while in London, came a protest signed by the Hierarchy of Ireland, headed by Cardinal Logue, which strongly denounced the British Government for its action: "The Archbishop has used his right as a citizen of the Empire to criticize the conduct of the Government, and to set forth fearlessly in plain and dignified language the claims of democracy in Australia, and the rights of his own people in Ireland to freedom on the principle of self-determination." The document eulogized the Archbishop as "a man of peace and lover of justice," and wished him a safe journey to the Holy City.

At Rome on Apr. 5, 1921, Dr. Mannix told the correspondent of the Chicago *Daily News* and Toronto *Star* that: "The Irish will accept only one thing—acknowledgment of their right to decide their own destiny. Once this is admitted any arrangements to guard the Empire are possible. Without this admission no compromise is possible. The creation of two Parliaments will do nothing to ease the situation." In this city he was the guest for a time of Gavan Duffy, the "Representative of the Irish Republic," and on Mch. 27 had been accorded a reception

*Note.—New York *Tribune* report, July 27.

†Note.—*Catholic Register*, Toronto, Oct. 21, 1921.

by the Rector of the Irish College. On Apr. 15 he was in Paris as the guest of a banquet given by Cean O'Ceallaigh, "Irish Ambassador to France," and, according to a despatch in the Toronto *Globe* declared that "in the near future you will see Ireland independent."

The Archbishop arrived home in Australia while the negotiations for peace were under way and said at Melbourne on Aug. 2nd that he hoped the long night of tragedy in Ireland was nearly over, and that the negotiations now proceeding would result in a peace honourable both to the Empire and to Ireland. The year ended with the statement (Dec. 10) that the Irish Treaty was clearly the longest step towards freedom that Ireland had made for the last 750 years, and his fervent hope and prayer was that it would bring friendship between countries God had intended to be friends, but men had kept asunder. It may be added that Archbishops Kelly, of Sydney, Duhig, of Brisbane, and Barry, of Hobart, were all Irishmen and all sympathetic—though in varying degrees and forms—with Irish efforts for freedom. Dr. Kelly stated at Sydney on Dec. 7, 1920, that Dominion Home Rule and independence within the Empire was the solution of the Irish problem.

The American Hierarchy and Ireland. As was, perhaps, natural and not, in itself, improper, the Archbishops and Bishops of the United States were more or less sympathetic to ideals of Irish independence. They were citizens of a country which was absolutely foreign to Britain and its Empire; they lived in an atmosphere created by foreign teaching and a foreign outlook; a large majority were of Irish extraction. Of the Committee of 100 which undertook to investigate Irish conditions from the hill-tops of Washington, Cardinal Gibbons, Archbishop J. J. Keane of Dubuque and a number of Bishops were members; Archbishop Hayes of New York was an earnest supporter of De Valera and an Irish Republic; Archbishop Mundelein of Chicage led in the work for Irish relief and collected $150,000 for the American Fund. At Washington on Sept. 29 the 1921 annual meeting of the American Hierarchy sent a cablegram of sympathy and support, through Cardinal O'Connell, to Cardinal Logue, as to the work of Conference and negotiation which was under way:

> Particularly at this time we are not unmindful of the tremendous debt the Church in this country owes to Ireland and its people. For more than a century the millions of your race have come to our shores and by their strong faith and their loyal and generous help, they have built up a Church which has become the pride of Christendom and the glory of the country in which we dwell.
>
> Therefore, in this fateful hour, when the future of Ireland trembles in the balance, it is not our desire, your Eminence, by any word of ours to peril the outcome of those deliberations upon which a world waits with bated breath. Rather, in the true spirit of our Holy Faith, united with our people from every race and every station, our prayers ascend from every altar in the land that God in His wisdom may bring Ireland's

misery of 700 years to an end, that this most apostolic race among all of God's peoples may receive the reward for what they have done for the Church of America and elsewhere by obtaining the fulfillment of their national aspirations.

Action of the Irish Hierarchy in 1921. Quite frankly, in a local letter on Jan. 24, 1921, the Archbishop of Tuam lamented that the "Truce of God," which he called for in July, 1920, had been broken, first, by the civilians of his Diocese in the Kilroe ambuscade of the previous week. Once more he condemned "the cowardly folly of the ambushers" and the cruelty of reprisals, and pleaded for peace. Early in February, following, Bishop Cohalan of Cork, in his Lenten Pastoral made a significant statement as to the validity or otherwise of the proclamation of an Irish Republic. According to the Church's teachings, he pointed out, this was a very important matter as, if Ireland was really a Sovereign State, she had the right to use physical force; if not so, physical force was unlawful: "Was the proclamation of an Irish Republic by Sinn Fein members of Parliament, after the last General Election, sufficient to constitute Ireland a Republic? According to our Church teaching the answer is: It was not. The resolution of Dail Eireann could hardly pretend to include North-East Ulster in an Irish Republic, but, putting aside the Ulster question, the proposition that a new Sovereign State could be established in that way would strike at the stability of all States." For this and other reasons, he declared the physical force policy to be unlawful and not in accordance with Church teachings; it had always failed in the past to restore Ireland's freedom.

On Mch. 6 Cardinal Logue, Primate of all Ireland, in a letter to the priests of the Armagh Diocese, made an earnest appeal for a St. Patrick's Day truce—with prayers for peace; he deplored the disregard for human life and property shown by both sides, which, he declared, threatened to reduce the country to a state of desolation and ruin. The Cardinal especially denounced the ambushing and attacking of soldiers and police in crowded thoroughfares: "They who commit such acts know well those armed forces will blaze away indiscriminately, killing or wounding poor, innocent victims." On Apr. 28, speaking at Clonoe, in Tyrone, His Eminence was even more explicit:* "An Irish Republic you will never achieve so long as England has a man to fight. If you get a full measure of self-government, with control of taxation, that will give all you ask for. x x x There should be no crime; he who commits a crime gives strength to the enemy." According to a lengthy extract in the Toronto *Catholic Register* (Apr. 21) from a recent appeal for peace and a Truce by Archbishop Gilmartin of Tuam, His Grace said:

Ireland is a Catholic nation. She has lived through 700 years of oppression. Is not the God who sustained her so long able to bring her

*Note.—*Irish Times* report, Apr. 30, 1921; *Irish Independent*, May 2nd.

out of her hour of bondage? The end of the present struggle is a just one, but no matter how noble the end, it does not justify evil means. Outside cases of self-defence, it is murder for private individuals to take life. What is called the I. R. A. may contain the flower of Irish youth, but they have no authority from the Irish people, or from any moral principle, to wage ambush war against unequal forces with the consequences of terror, arson, and death to innocent people.

On May 21 an important pronouncement of neutrality from His Holiness the Pope was made public by Cardinal Logue: "There is assuredly no doubt that the harsh and cruel occurrences of this kind are in great part attributable to the recent War, for neither has sufficient consideration been given to the desires of nations nor have the fruits of peace, which peoples promised to themselves, been reaped. In the public strife which is taking place in your country it is the deliberate counsel of the Holy See, a counsel consistently acted upon up to the present in similar circumstances, to take sides with neither of the contending parties." Prayers and efforts for peace were urged and the following plan proffered: "We think it would be opportune that the question at issue should be referred for discussion to some body of men selected by the whole Irish nation. When this Conference has published its findings let the more influential among both parties meet together and determine by common consent on some means of settling the question in a sincere spirit of peace and reconciliation."

Toward the middle of the year events were approaching a climax and the Archbishops and Bishops of Ireland met at Maynooth on June 21 and issued a statement thanking Pope Benedict for the above Letter, with his gift of 200,000 Lire "to assuage the sufferings of an afflicted people," and denouncing the Government of Ireland Act as a "sham settlement." It clearly embodied the Catholic distrust of Ulster: "In defiance of Ireland a special Government has been given to one section of her people, remarkable at all times for intolerance, without the slightest provision to safeguard the victims of ever-recurring cruelty; and a Parliament of their own is set up in their midst after a year of continuous and intolerable persecution directed against the Catholics of Belfast and the surrounding area." Reference was made to the White Cross Association and its work in aiding the sufferers from Government reprisals. Nothing was said of other subjects at issue or concerning Sinn Fein practices or the I. R. A.; the document concluded with prayer for a "just and lasting peace."

Then came the Peace negotiations and on Oct. 19 Pope Benedict cabled H. M. the King as follows: "We rejoice at the resumption of the Anglo-Irish negotiations and pray to the Lord with all our heart that he may bless them and grant to Your Majesty the great joy and imperishable glory of bringing to an end the age-long dissension." To this Mr. de Valera took prompt exception and sent His Holiness a long cablegram in which he declared that the Independence of Ireland had been

proclaimed and ratified by its people and would never be abandoned. With the conclusion of negotiations in December and the signing of a Treaty creating the Irish Free State, came a volume of approval from the Hierarchy. According to a despatch in the New York *Tribune* of Dec. 11th, Archbishops Gilmartin and Harty, Bishops Browne of Cloyne, Foley of Kildare, Finegan of Kilmore, Gaughran of Meath, Brownrigg of Ossory, O'Donnell of Raphoe, had all declared in favour of the Treaty and its ratification. Cardinal Louge was said to favour ratification and to regard it as a "fair enough settlement;" there was no combined notification or announcement.

Ireland and the United States; Irish-American Action and Opinions.

In view of the large and widely-known part taken by Irishmen in United States politics and municipal government, it is interesting to note that the number of Americans actually born in Ireland was not, at this time, much over a million—though there were many millions of Irish extraction—while the number of those born in Great Britain and of those born in Canada was, in each case, about the same. But the latter elements—even the French-Canadian—seemed to mix and merge with the general population and to assume no organized position in the national life or international policy. Many Irishmen in the Republic took a conspicuous part in keeping the country aloof from the War and, later on, their organizations—such as the Friends of Peace, the Clan-na-Gael, the League of Oppressed Peoples, the Friends of Irish Freedom, the American Association for the Recognition of the Irish Republic, and others—were accused of pro-Germanism.

An official report issued as a *White Paper* in London during January, 1921, gave varied details in this respect and matched the one which dealt with the alleged Sinn Fein and German plot in Ireland. As to this, John Devoy, a prominent agitator along these lines, stated in a Boston speech on Mch. 9*, that the Irish Republican Brotherhood had sent word to sympathizers in the United States of the plans for the Easter Sunday attack upon British forces, during January of that year, and had requested that the Clan-na-Gael in the United States furnish a shipload of arms to be delivered in Limerick: "It was not possible to get any such quantity of arms in the United States without the knowledge of the U. S. Government." Therefore, the aid of Germany in securing these arms was asked and obtained, though, he added, no other help was received by the revolutionaries from German sources. There was a large body of Irishmen in the United States who did not hold these views or support the extremists; how large a proportion it was and is, it would be impossible to say. But the main section was aggressive in advocacy and influential in politics, eloquent with voice and pen; the support of the Hearst press and of papers like the *Irish World*

Note.—Despatch in Toronto *World*, Mch. 10, 1921.

gave its leaders public prominence and their views a certain public force.

De Valera's Tour of the United States. The position assumed by and given to Eamonn de Valera as "President of the Irish Republic" was, in 1920 and 1921, a rather notable one. He came over during 1919 avowedly to raise $10,000,000 by the sale of bonds of the "Republic"; his reception by municipal bodies, State Legislatures, Governors, the Roman Catholic clergy and Irishmen in general was all that he could possibly desire. In New York he had honours usually tendered to Royal visitors; on Jan. 17, 1920, he was given the Freedom of the City amid scenes of enthusiasm. W. Bourke Cockran, the Irish-American orator, presented him to Mayor Hylan as "the embodiment of a great national uprising for vindication of the fundamental realities that constitute the principles of Christian civilization"; the Mayor officially greeted his guest as President of the Irish Republic and congratulated him upon his "dignified campaign of education and masterly presentation of a safe and sane policy."

According to a despatch in the London *Times* of Feb. 3rd, Mr. de Valera was asked at a New York meeting on the 1st whether the Irish had desired a German victory in the War. His reported answer was decisive: "Centuries ago we joined the Spanish when they made war upon England. For a hundred years we supported the French in their war to destroy her. We shall do the same thing the next time she is attacked. We always wish to see the Imperial tyrant beaten. We shall always be ready to strike at her." On the following Monday 40,000 canvassers started on their bond-selling campaign in New York and, according to a long despatch in the Montreal *Star* of the 19th, $2,550,000 out of the local quota of $3,000,000 was subscribed on the first day and included a $1,000 cheque from Archbishop Hayes of New York. As stated in various Irish or Catholic American papers the objects of this Loan were as follows:

1. To set up arbitration tribunals and establish a national civil service system by which the Irish people at home will carry on their education and civil affairs.
2. The fostering of Irish industries, e.g., the development of Irish Sea fisheries, the appointment of a Commission to hold public enquiries into and report upon the industrial resources and possibilities of the country.
3. The establishment of a Land Mortgage-Loan Bank to finance the re-settlement of untenanted lands.
4. The encouragement of re-afforestation.

On the other hand, the New York *Irish World** put it rather differently: "The success of the campaign will be an important factor in determining the future of the Irish Republic. Money has been aptly termed the 'sinews of war.' War is now on in Ireland—a war of liberation." It may be added that on Dec. 8,

*Note.—Quoted in *Literary Digest*, Feb. 7, 1920.

1921, Stephen O'Mara told the New York *Tribune* that the total of Irish Republic bonds issued and sold in the United States to date was slightly more than $5,500,000: "In the first Loan campaign of 1920 we sold $5,300,000. In the second drive now on in Illinois, not more than $350,000 has been subscribed with $30,000 more in New York." Meanwhile, on Mch. 17, 1920, a great St. Patrick's Day parade was held in New York and 12,000 marched past the reviewing stand where sat Governor Alfred Smith, Archbishop P. J. Hayes, Mayor Hylan and E. de Valera; later in this year the Irish leader had visited Chicago and San Francisco and endeavoured, unsuccessfully, to get an "Irish recognition" clause in the Republican and Democratic platforms; at Washington late in July he attended a reception in honour of Archbishop Mannix and declared in his speech (reported by F. W. Wile in the Philadelphia *Ledger*) that: "The Irish people have proclaimed their independence, have established a republic, and mean to maintain it."

Addressing 30,000 people at a New York demonstration in honour of Lord Mayor MacSwiney (Oct. 31) Mr. de Valera was given a great reception and bitterly denounced Great Britain. He said he had received word that at least one Irishman, recently, had been "stripped, flogged and pincered and had his finger-nails broken and his teeth knocked out" in order to force information as to other Irish patriots (New York *Tribune* report). During all these months of 1919 and 1920 De Valera made a multitude of speeches giving the extreme Sinn Fein side of the case, urging his reasons for Independence and a Republic, denouncing Britain in its soldiers, statesmen, politics, history and the character of its people. In the spring of 1921 he was back in Dublin; how, no one seemed to know and, in an interview given there to the American Associated Press, he stated on Mch 17, 1921, that: "There can be peace to-morrow if England will simply refrain from her aggressions. We had established a peaceful constructive administration. We were setting a noble example to the world of government based on consent, and were developing our trade and industries, when Lloyd George loosed upon us his murder-horde, blooded up by official instigation, and sedulously inflamed with a regular weekly bulletin of calumny and hate. Against this horde we shall never cease to defend ourselves to the utmost of our power."

American Politicians and Irish Affairs. During these years much official American attention was given to this question. At Washington on Mch. 17, 1920, the Senate adopted a Reservation to Versailles Peace Treaty, declaring by 38 to 36 votes that: "In consenting to the ratification of the Treaty with Germany, the United States adheres to the principle of Self-determination and to the Resolution of sympathy with the aspirations of the Irish people for a Government of their own choice as adopted by the Senate June 6, 1919." A motion to eliminate

the reference to Self-determination was lost by 51 to 30 votes. On May 4 of this year a cablegram signed by 88 members of the House of Representatives was sent to Mr. Lloyd George—despite protests from those who did not approve of interference in the domestic affairs of another nation—declaring that "wholesale arrests without arraignment or trial disturb the peace and tranquility of a people, are destructive of human rights, and are at variance with that principle of liberty which is embodied in the United States constitution," and protesting "against further imprisonment without arraignment or trial of persons resident in Ireland arrested for acts of a political nature."

During the Presidential elections, Senator Harding, the Republican candidate, stated on Oct. 8, 1920, (*Times* despatch) that: "I would no more tell a Briton what to do with Ireland than I would permit a Briton to tell us what we should do in the Philippines." Governor Cox, the Democratic candidate (Kansas City, Oct. 2, 1920) took another view: "Ireland has the right to separate from Great Britain and establish its own Government in any form pleasing to itself, and to that end may wage such internal aggression as seems necessary to accomplish that result." He declared that Ireland, before long, would achieve her own Independence, and that under the terms of the League of Nations' Covenant the United States might then be called on to guarantee her freedom. On Dec. 15, following, 10 United States Senators joined in a protest against the refusal of the British Embassy to visé the passports of 4 members of the unofficial American Commission of Enquiry who desired to visit Ireland.

In the Senate on Apr. 25, 1921, Senator La Follette of Wisconsin, in speaking to a Resolution which demanded official United States recognition of the independence of the "Irish Republic," said: "Ireland is to-day a test of real Americanism. Those who most actively oppose recognition of the Independence of Ireland in her struggle for freedom from Great Britain are of the same mind, the same flesh, the same blood, as the Tories of 1776. Those who to-day favour recognition by the United States of Irish independence stand upon the great fundamental principles of human liberty which were written into the Declaration of Independence." The Resolution did not pass. In the same body on May 2nd, Senator W. E. Borah of Idaho presented for official publication in the debates and ensuing distribution "An Address to the Congress of the United States from the Dail Eireann"; his request for printing it as a public document was approved without objection.

The Address claimed that in 1920, 47,474 Irish homes and institutions were raided by British troops and by Black and Tans, and that there was an orgy of murder and robbery: "Neither age nor sex nor profession was respected. Old men of 80 and little children of 8, sick and crippled boys, mothers and wives, even anointed ministers of God, were indiscriminately murder-

ed." In both Houses Resolutions were presented, though not passed, in 1921, favouring recognition of Irish Independence; the Legislature of Illinois passed through both of its State Houses a motion calling upon the U. S. Government to take this action; Admiral W. S. Sims, the famous Commander of the U. S. Navy in British waters during the War, was ordered home by Mr. Denby, Secretary of the Navy, and publicly reprimanded, on June 24, for a speech in London on June 7 when he urged English-speaking people to combine and described the anti-British elements in the States as representing "Jackass votes"; the Denver Convention of the American Federation of Labour in June passed Resolutions urging the President and Congress to bring about recognition of the Irish Republic, and protesting to Great Britain against the "brutal and uncivilized warfare being conducted in Ireland." With the coming of negotiations in July official and unofficial Irish activities in the United States were largely suspended; on July 13 Senators G. W. Norris of Nebraska and R. M. LaFollette of Wisconsin wrote Senator Henry C. Lodge, Chairman of the Foreign Relations Committee, requesting postponement of hearings on the Irish Resolutions because they hoped for peace as a result of the current discussions.

This action and policy of various legislators was not without severe criticism. It was asserted that the United States had no moral right to interfere, and was holding Haiti and Santo Domingo without the consent of their peoples. A Senate Committee during 1921, headed by Senator Medill McCormick, visited the two Republics to investigate numerous charges of cruelties and outrage against the U. S. Marine Corps; they did not report as to these but declared that the troops should not be withdrawn. H. G. Knowles, who was Minister to Santo Domingo under President Taft, renewed publicly the charges of cruelty and declared the investigation a "white-washing farce." He said in an article published in August, 1921 (*Current History*, New York) that: "The invasion and oppression of Santo Domingo was not only a wrong to that little country, but an assault on the sovereign rights of one of the Latin-American republics. As they looked at their little Dominican sister in chains, saw her homes being burned, her people tortured and killed, her jails filled with her patriots, her public money seized and misspent, her country exploited and bankrupted, and her taxes gathered and spent to reward America politicians and job-hunters, they realized that the 'great power of the North' had broken one of the links of their Latin-American chain."

In the Philippines the question of Independence was a direct and continuous issue in 1920-21; almost complete autonomy was theirs but they wanted more and, as a natural result of self-government by an ignorant, untrained and inefficient Eastern race, there was plenty of corruption and mal-administration and a condition of practical insolvency to complain of

and, unjustly, to lay at the doors of the United States. Porto Rico demanded Statehood in the Union or Independence and up to this time was refused both. These alleged conditions were frequently and in varied forms flung at Senators and public men who talked about Irish independence.

Protests against the speeches and advocacy of Mr. de Valera and his friends were many. The Ulster League of North America was incorporated in Massachusetts in 1920 and within a month had 16,000 members and issued vigorous demands for the arrest and deportation of the Irish visitor; the Philadelphia Protestant Federation, said to represent 241,000 Americans, passed similar Resolutions and was supported by other organizations throughout the country. Admiral Sims, in his book on the War, declared that the Sinn Feiners had done everything in their power to help Germany: "With their assistance German agents and German spies were landed in Ireland. At one time the situation became so dangerous that I had to take experienced officers, whose services could ill be spared, from our Destroyers and assign them to our outlying air stations in Ireland." Early in 1920 an Ulster delegation to the United States and Canada received a warm welcome in many places and a stormy one in others; at three mass meetings in Boston (Feb. 16) Resolutions were passed calling upon the United States Government "to resist, by every available means, the clamour for this country's intervention in the domestic affairs of Great Britain."

The New York *Times*, the *Independent*, the *Outlook* and similar journals were outspoken in protests, and the New York *Tribune* of Apr. 22, 1921, declared that: "Without American dollars Sinn Feinism probably long ago would have ceased, many men and women now dead would be walking the earth, millions of damage would not have occurred, and Ireland might now be adjusting herself to the self-government that Canada enjoys." From time to time practical proofs of the hostile effects of this propaganda were made public. In the British Commons on May 26, 1920, Sir H. Greenwood stated that American ammunition totalling 16,388 pounds had been captured in the Dublin district since Mch. 26 last and, at New York on June 15, Customs officials seized about 500 modern machine guns, alleged to have been found concealed aboard the steamer *East Side*, tied up in Hoboken, and loading for an Irish port.

There was no doubt about the influence of $5,000,000 raised by Bond sales. Other millions were raised by private subscription to Relief funds. As to this latter point, there were several funds, including the Belfast Expelled Workers' Fund which was earnestly backed up in a published appeal by Bishop MacRory of Down and Connor (Aug. 12, 1920); the American Committee for Relief in Ireland which, by February, 1921, had collected $350,000 and allotted $50,000 for aiding victims of Belfast riots; there was, also, the Irish White Cross Fund. The American

Committee was the chief of these with U. S. Senator D. I. Walsh of Massachusetts, as the originator of the plan, and Cardinal Gibbons, G. B. Cortelyou and Josephus Daniels amongst the Vice-Chairmen of the Committee. On Mch. 5, in Chicago, 500 guests at a Dinner subscribed $100 each to the Fund and Senator Walsh told them its objects: "No one is seeking to make trouble between this Government and Great Britain. We believe the friendship of the world, especially the English-speaking people for one another is of priceless value to civilization. Naturally, however, the relief in America must be led by those who have Irish blood in them. We must act at once."*

The objective was $10,000,000 and a nation-wide drive began on Mch. 17 which lasted until the 28th. It was supported by a cable from Cardinal Gibbons sent early in the year and the reply of Archbishops Harty of Cashel, Gilmartin of Tuam, and Walsh of Dublin, stating† that help was greatly needed in, especially, the regions of Cork and Dublin. Cardinal Logue emphasized Belfast in his reply as the only point needing immediate relief—there, he said, thousands of Catholics had been driven from their homes by hostile Orangemen. A large sum was collected—the exact amount was not made public. Including Bond purchases the London *Daily Telegraph* of Oct. 18, 1921, put the total of American contributions for Sinn Fein purposes and Irish aid at £2,400,000. Meanwhile, the statements made by the Committee to the effect that famine was about to add thousands of victims to the hundreds of thousands already in need of bare necessaries, that in every Irish village and town sickness, pestilence and death had invaded humble homes and that children of tender years were ragged, wretched and hungry, were vigorously denied, and, eventually, the British Embassy at Washington (Mch. 30, 1921) issued an official statement as follows:

> Banking and trade statistics and tax returns show that Ireland as a whole has never been more prosperous than at the present time. Millions of pounds have been made available from money raised by taxation in the United Kingdom to build houses, to encourage land settlements and to promote employment schemes and the general work of reconstruction, but the Counties and cities of Ireland which are Sinn Fein in sympathy refuse to accept this money and prefer to appeal to America for charity. x x x Particularly it should be emphasized that there is no shortage of food in Ireland.

It may be added that the American Federation of Labour at its Montreal meeting on June 17 had three Resolutions upon the Irish question before it—all extremely anti-British and denunciatory. They were referred to a Committee and the following was one clause of an Omnibus motion which was passed unanimously—the Canadian delegates expressing no public objection:

> Whereas the American Federation of Labour has approved the efforts of the Irish people to establish an adequate form of self-govern-

*Note.—See speech by Senator Walsh on July 4, 1921. Page 295.

†Note.—*Catholic Register*, Toronto, Jan. 6, 1921.

ment in the exercise of their right to self-determination, and they have by an overwhelming majority established the Irish Republic; and whereas, the English Government is now seeking to destroy through military process the republican form of government already established by the Irish people;

Therefore, be it resolved that the American Federation of Labour, in Convention assembled, re-affirm its endorsement of the Irish Republic, and respectfully request that the military forces of occupation in Ireland be withdrawn from the country, and that the Irish people be allowed to guide their own destinies as proclaimed in the Manifesto issued by the President of the United States, comprising his 14 points and agreed to by the British Government and the Allies in the recent world war, and that we tender our aid to the people of Ireland in their efforts for freedom, through the American Federation of Labour, to the end that Ireland be permitted to take its place amongst the free nations of the world.

The Irish-American Committee of 100. This organization was variously described, eulogized, and denounced. It comprised good men and others with peculiar reputations along political lines; it included in its membershop outstanding and respected figures like Cardinal Gibbons and Archbishop Keane; it had pro-Germans and Pacifists such as George W. Kirchwey and Jane Addams; it represented 35 States and included the Governors of five States, ten United States Senators, six Congressmen, twelve Mayors, and editors, jurists, publicists, educators, business men, and labour leaders. Amongst others were U. S. District Judge Charles F. Amidon, of North Dakota; Judge George Holmes, of Omaha; Dean Robert Morse Lovett, of the University of Chicago; former Ambassador M. F. Egan, William Allen White, President W. A. Nielson, of Smith College. Oswald Garrison Villard (born in Wiesbaden, Germany) and editor of the one-time anti-war New York *Post* and of the Sinn Fein, Pacifist, New York *Nation*, with W. R. Hearst, were its most vehement protagonists.

Sir Auckland Geddes, British Ambassador, refused to be represented on the Committee and declared in his reply to the invitation (Oct. 23, 1920) that he was unable to believe that the truth could be established until there had been a period of quiet in Ireland, and then only by persons of the greatest experience of the laws of evidence, with power to compel the production of books, papers and records, and that any other form of enquiry would lead only to a mass of statements, unsupported by facts, and made for propaganda purposes. Sir Edward Carson, in reply (Nov. 26) to a cablegram asking his attendance at the Enquiry, stated that the Commission had no mandate from the British Government: "I feel certain that all true Americans who desire a close friendship between their country and ours will resent such an unwarranted interference with the affairs of a foreign friendly State." The Committee, as finally constituted, nominated a Commission of Five with Hon. F. C. Howe as Chairman, which was to hold a formal Enquiry into conditions in Ireland, with power to invite witnesses to testify—not under oath—and to examine such witnesses by means of counsel. The

Enquiry began at Washington on Nov. 17, 1920, and the Commission issued a statement to the public which included the following basic paragraph:

> The members of the Commission are unanimously of the belief that the friendship of the English-speaking people for one another is of such priceless value to the welfare of the entire world, that for Americans to leave a single stone unturned to preserve that friendship would constitute grave culpability. The Commission is, moreover, profoundly stirred by the long-continued reports of lawlessness and the wholesale shedding of blood in Ireland on both sides. Its members cannot sit by unmoved at the possibility of an outcome so terrible that it might easily mean the destruction of the bulk of the sorely harrassed Irish people, a people so gifted as to be able to make a unique contribution to the culture and progress of the world, a people whose voluntary martyrs have begun to make the whole globe realize that the situation of Ireland has reached a pass where men prefer death to its continuance.

The Report was issued on Mch. 31, 1921, after 38 witnesses of alleged outrages had been examined—18 American, 18 Irish and 2 English; the document admitted that these witnesses and the testimony available were almost wholly from the Irish republican or Sinn Fein viewpoint, or "from sources not unsympathetic to the application of the principle of self-determination to Ireland." Some of the witnesses were D. J. O'Callaghan, Lord Mayor of Cork, Mrs. MacSwiney, widow of the late Mayor of Cork, and his daughter, Miss Mary MacSwiney. A special Committee, appointed to visit England and Ireland for purposes of investigation, were refused passports by the British Embassy. The terms of the Report were a concentration in condensed form of Sinn Fein charges against the British Government and its troops in Ireland. About 400 members of the Crown forces in Ireland were killed in a year, according to the Report, and this was condemned as contrary to social morality and the assassinations as tending to degrade the Irish cause in the eyes of the world. It, also, was alleged that the people were deprived of the protection of British law and the moral protection of International law which they would have had as recognized belligerents. The document then passed to the main subject and summarized the evidence of British "terrorism" as follows:

1. The Imperial British Government has created and introduced into Ireland a force of at least 78,000 men, many of them youthful and inexperienced, and some of them convicts; and has incited that force to unbridled violence.
2. The Imperial British forces in Ireland have indiscriminately killed innocent men, women, and children; have discriminately assassinated persons suspected of being Republicans; have tortured and shot prisoners while in custody, adopting the subterfuges of refusal to halt and attempting to escape; and have attributed to alleged Sinn Fein extremists the British assassination of prominent Irish Republicans.
3. House-burning and wanton destruction of villages and cities by Imperial British forces under Imperial British officers have been countenanced and ordered by British officials.
4. A campaign for the destruction of the means of existence of the Irish people has been conducted by the burning of factories, creameries, crops and farm implements, and the shooting of farm animals.

5. Acting under a series of proclamations issued by the competent military authorities of the Imperial British forces, hostages are carried by forces exposed to the fire of the Republican Army; fines are levied upon towns and villages as punishment for alleged offences of individuals; private property is destroyed in reprisals for acts with which the owners have no connection.

6. This (Terror) has failed to re-establish Imperial British civil government in Ireland. Throughout the greater part of Ireland British courts have ceased to function; local, county, and city governments refuse to recognize British authority; the British civil officials fulfil no function of service to the Irish people.

7. In spite of the British (Terror) the majority of the Irish people, having sanctioned by ballot the Irish Republic, give their allegiance to it; pay taxes to it; and respect the decisions of its courts and of its civil officials.

The British Embassy at Washington at once issued a statement declaring (1) that "Ireland, so far from being a devastated country, is the most prosperous part of the United Kingdom, and probably of the whole of Western Europe," with deposits in Joint Stock Banks increasing from £147,000,000 in 1914 to £200,000,000 in 1920; (2) that the Report laid stress on so-called reprisals, and ignored the fact that before even the Irish propagandists suggested in September, 1920, that reprisals were taking place, 92 policemen, 12 soldiers and 28 civilians had been murdered in cold blood, and 159 policemen, 56 soldiers and 74 civilians wounded—in most cases without a chance of defending themselves; (3) that Sinn Fein had established its position by the terror of the revolver, which had silenced the moderate opinion of the vast majority of Irishmen and that it desired to claim for the Irish Republican Army the status of belligerents, while the members of the Force "constantly, indeed invariably, violated the laws of war as recognized by every civilized community"; (4) that the methods used were "those of the assassin; their deadly work was done in stealth by persons in the garb of civilians, who moved about under the protection of the law until the moment came for the attack, and who, immediately after killing their victim, reverted to the aspect and demeanor of peaceful citizens"; (5) that "the Crown forces, under almost incredible provocation patiently borne during many months, have on some occasions broken the bonds of discipline and committed unjustifiable acts of violence is not denied, but to say that such acts have been ordered by the British Government is absolutely false"; (6) that so-called Sinn Fein courts had everywhere ceased to function, and there were at this date no Republican civil officials who were not in hiding while the regular Assize Courts had been held throughout Ireland in the month of March.

Irish-American Incidents of 1921.

Mch. 17. The St. Patrick's Day parade emphasized the split between the De Valera and Cohalan Irish factions—the Friends of Irish Freedom under the leadership of Judge D. F. Cohalan directing the Parade and the American Association for the Recognition of the Irish Republic under Eamonn de Valera boycotting it absolutely.

Apr. 7. According to the New York *Tribune* report, several hundred Irishmen wildly cheered Thomas F. Ryan, of the Warehousemen's Union and a Director of the American Association for the Recognition of the Irish Republic, when he urged organization so as to enlist American labour in a boycott of British goods. He declared that in the War the Irish in America had mistakenly "sent their boys overseas to make the world safe for the British Empire," and urged the workers of England, Scotland, Wales and Ireland, to unite now and "overthrow the British Empire."

Apr. 17. Chicago held an Irish Parade to celebrate the 1st Convention of the American Association for the Recognition of the Irish Republic and the banners carried bore such devices as the following: "Burn Everything British But It's Coal."

July 4. At a Tammany Hall demonstration with Senator D. I. Walsh as the chief speaker, a Resolution was passed urging the United States to recognize the independence of the Irish Republic.

July 11. At New York, James A. Flaherty, Supreme Knight of the Knights of Columbus, called upon the 800,000 members of that organization in the United States, Canada and Mexico, and their families, to pray that Ireland might at last enter an era that would see the end of suffering and disorder. He stated that he had personally pledged the spiritual support of the Knights of Columbus to De Valera in the current crisis.

July 22. At Detroit the 52nd National Convention of the Ancient Order of Hibernians declared by Resolution that the peace of the world and freedom of the seas depended upon Independence for Ireland; urged the President at once to recognize the Irish Republic; denounced Rear Admiral Sims for "notorious pro-English tendencies," and urged his removal from the presidency of the United States Naval War College.

Aug. 18. It was announced at the Supreme Convention of the Knights of Columbus at San Francisco that prizes had been offered by the organization totalling $7,500 to writers of the best historical essays on subjects to be specified by the K. of C. National Historical Commission, of which Edward F. McSweeney of Boston was Chairman, with Admiral W. S. Benson, Prof. George Deny and Maurice Francis Egan as the other members.

Sept. 8. To the New York *Tribune*, Mr. McSweeney, after a meeting of his Committee in New York, stated that they would oppose the proposal to celebrate the signing of Magna Charta in English-speaking countries: "The Knights of Columbus believe that the Declaration of Independence is an infinitely more important and conclusive document of human liberty than Magna Charta. x x x The history movement aims at only one thing—the preservation of truth in the writing of American history." John B. Kennedy, Editor of *Columbia*, a K. of C. magazine in Chicago, stated in this connection that a score of monographs would be prepared and that the cost of research, publication and distribution would run up to $1,000,000.

Dec. 8. All members of the Knights of Columbus were called upon by James A. Flaherty. Supreme Knight, to pray that the Irish peace might be a permanent one: "If successive British Governments honour the Agreement reached by the statesmen with Premier Lloyd George, there will be a happy end to the oppression and bitterness that have marred Ireland's life for centuries." Judge Cohalan and Diarmuid Lynch, a De Valera leader in New York, denounced the Agreement and the Free State.

Dec. 8. The New York *American*, chief organ of W. R. Hearst, received the Irish agreement as follows: "The King congratulates Mr. Lloyd George and so does the rest of the world, assuming that he has ended in a manner just and acceptable to the Irish a fight for liberty that has lasted more than 700 years. The British Empire also is to be congratulated, for a contented Ireland will mean greater strength than could have been got from a thousand battleships."

Dec. 10. The Friends of Irish Freedom met in New York, elected T. F. Cooney of Providence, R.I., President in succession to Bishop M. J. Gallagher of Detroit, passed Resolutions denouncing the Irish Peace pact and pledging themselves to raise $2,500,000 in order to continue the fight for an Irish republic, and to combat British propaganda. The opposing De Valera organization through Major M. A. Kelly, Secretary, declared on the 14th that this was mere stage-play and denounced Judge Cohalan who was the real head of the organization.

The 6th Irish Home Rule Bill: The Peace Agreement of 1921.

Meantime, while crime and civil strife were rampant in parts of Southern Ireland and Ulster and controversy bitter in many parts of the world, as to the relations of England and Ireland, many men were trying to find a basis for peace, a compromise for the settlement of an age-long difficulty. The first step was the passage of a Home Rule Bill in London and its enactment into law; until that was done there seemed to be no real beginning for a solution of the problem. The Government of Ireland Act, which came into operation on May 3rd, 1921, repealed the Home Rule Act of 1914—which had never operated—and established two Parliaments, one in Dublin representing Southern Ireland, and one in Belfast representing the six North-eastern Counties of Ulster and including the Parliamentary boroughs of Belfast and Londonderry. There was to be, in each, a Senate with 26 members in the North and 64 in the South, and, in each, a House of Commons with 52 Northern members and 128 Southern; there was provision for the creation of a Council of Ireland with 41 members composed of a President chosen by the Lord Lieutenant, 7 members of each Senate and 13 of each House of Commons; power was given the two Parliaments by identical Acts, agreed to by an absolute majority of members of each House of Commons to establish, in lieu of the Council, a Parliament for the whole of Ireland which would consist of two Houses.

There were a number of reservations from the power of these Parliaments including (1) the Crown and its property and the Lord Lieutenant—apart from his Irish Executive action; (2) the making of war and matters arising from a state of war; (3) the Navy, Army, Air Force or Defence of the Realm and questions of Pension and Allowances; (4) Treaties or relations with foreign States, or the King's other Dominions, or extradition of criminals; (5) Dignities or titles of honour, treason, naturalization, aliens and domicile; (6) Trade outside of each Parliamentary area, tariffs, bounties, quarantine and navigation; (7) Submarine cables, wireless, aviation and lighthouses, coinage, trade-marks, copyright and patent rights. The British Government, for specified periods, was to control the Royal Irish Constabulary and Metropolitan Police, appointments of magistrates, Post Office and Land Purchase Acts. The Council of Ireland was to make laws as to Railways, Fisheries and contagious diseases of animals, with large powers in respect to Private Bills. Financially, Ireland was to contribute £18,000,000

a year for two years to the Imperial Exchequer; an adjustment of this amount was to be made in two years and every 5 years thereafter; it was estimated that there would be a surplus of £7,500,000 annually at the disposal of the two Parliaments from the taxes collected by Imperial authorities; there were to be Supreme Courts in the North and the South and a High Court of Appeal for all Ireland. Such was the 6th and last of the long succession of Home Rule Bills:

1882	Apr. 8	Mr. Gladstone's 1st Home Rule Bill introduced.
1886	June 8	Vote on 2nd Reading: 313 for; 343 against.
1893	Feb. 13	Vote on 3rd Reading: 301 for; 267 against.
"	Aug. 30	Mr. Gladstone's 2nd Bill introduced.
"	Sept. 8	House of Lords Rejected the Bill: Against it 419; For it 41.
1908	Mch. 30	Mr. Redmond's Resolution in favour of Home Rule carried by Liberal majority of 157.
1912	Apr. 16	Mr. Asquith's Home Rule Bill introduced.
1913	Jan. 16	Vote on 3rd Reading: 382 for; 273 against.
"	Jan. 30	House of Lords Rejected the Bill.
"	July 7	Mr. Asquith's Bill passed by Commons a 2nd time.
1914	May 25	Mr. Asquith's Bill passed by Commons the 3rd time.
"	July 20	Conference on Ireland at Buckingham Palace.
"	Aug. 4	Declaration of War against Germany.
"	Sept. 15	A Bill, suspending the operation of the Home Rule Bill until after the War, passed through all stages of Commons.
"	Sept. 15	House of Lords declined to discuss Home Rule Bill.
"	Sept. 18	Mr. Asquith's Home Rule Bille and the Suspensory Bill received the Royal Assent.
1920	Mch. 31	Lloyd George Home Rule Bill passed 2nd Reading in Commons by 94 to 348.
"	Nov. 11	Lloyd George Home Rule Bill passed 3rd Reading by 183 to 52.
"	Nov. 25	Home Rule Bill passed 2nd Reading without division in Lords after rejection of the Bill had been negatived by 164 to 74.

The final Home Rule Bill was far from granting Dominion status or the powers given to Canada at the time of Confederation. Ulster accepted the Act with reluctance, Southern Ireland would have nothing to do with it. In this event the Act provided that the Parliament of the South would not sit and its government would revert into the hands of the existing Executive with an Advisory Council. The Act came into operation on May 3rd, 1921, and Elections followed on May 13 when all but 4 members of the Southern Parliament were elected by acclamation as Sinn Feiners pledged not to take the oath or sit in the new House but, as Mr. de Valera put it in a Manifesto, to prove once more the Irish demand for a Republic. Amongst those elected were De Valera, Mme. Markievicz, Mrs. O'Callaghan, widow of the murdered Mayor of Cork, and Mrs. Pearse, mother of Padraic Pearse, executed after the Dublin rebellion of 1916.

Ulster elected on May 20th, 40 Unionists, 6 Nationalists and 6 Sinn Feiners—amongst the latter Michael Collins, E. de Valera and Arthur Griffith. These three men were, therefore, technically all members of the British, Southern and Northern Parlia-

ments at the same time. The Southern Senate included 64 members with four elected by the Archbishops or Bishops of the Roman Catholic Church, two by the Archbishops or Bishops of the Church of Ireland, 16 by Peers, 8 by Privy Councillors, and 14 by County Councils. The Act also empowered the Lord-Lieutenant to nominate 17 Senators to represent commerce, labour, and the scientific and learned professions, with the Lord-Mayors of Dublin and Cork *ex-officio* members. The Church of Ireland (Anglican) at once selected their appointees as did the Peers and Privy Councillors. The Southern Parliament was formally opened at Dublin on June 28 with 15 Senators and the 4 Unionist members of the Commons present; the other elected members functioned elsewhere as the Dail Eireann.

Following this came the prolonged negotiations of five months looking to peace and settlement. Toward the close of 1920 there had been many signs pointing in this direction. On Dec. 6 Archbishop Harty of Cashel, in Thurles Cathedral, pleaded earnestly for "Irish peace with justice and honour"; about the same time Archbishop Gilmartin of Tuam and Cardinal Logue and Archbishop Walsh of Dublin called for a Truce of God; the Galway County Council urged a truce and a conference and sent the Resolution to Mr. Lloyd George. The Rev. Michael O'Flanagan, Acting President of the Sinn Fein, also sent a telegram to the Prime Minister saying: "You state that you are willing to make peace at once without waiting for Christmas. Ireland also is willing. What step do you propose?" De Valera in New York and the extremists in Ireland repudiated this message. Mr. Lloyd George at once asked Archbishop P. J. Clune of Perth, Australia, who happened to be in England, to go to Ireland and see if anything could be done. After an interview with Sir H. Greenwood, His Grace went to Dublin early in December and again on Dec. 8th; on the 16th he took to Dublin the terms of a proposed month's truce. It fell through because the British authorities wanted the surrender of arms by the Irish Republican Army.

For some months following nothing serious in the way of conciliation was done. On Mch. 7, 1921, the Earl of Midleton, at a Dublin Rotary Club meeting, urged Peace and a Resolution was passed asking the Prime Minister to appoint a representative of the Cabinet to meet a small conference of Southern Irishmen with power to find a basis for settlement. Other personal efforts were made by Shane Leslie, author and Nationalist, and A. M. Carlisle of Belfast. Then the King at the Ulster Parliament opening uttered words of earnestness and force which echoed through the country: "I speak from a full heart when I pray that my coming to Ireland to-day may prove to be the first step towards an end of strife amongst her people, whatever their race or creed. In that hope I appeal to all Irishmen to pause, to stretch out the hand of forbearance and conciliation, to forgive and to forget, and to join in making for the land

which they love a new era of peace, contentment, and goodwill." This was followed by a letter from Mr. Lloyd George (June 24) asking Mr. de Valera to attend a Conference in London with Sir James Craig "to explore to the utmost the possibility of a settlement" and to bring such colleagues as he might desire: "We wish that no endeavour should be lacking on our part to realize the King's prayer, and we ask you to meet us, as we will meet you, in the spirit of conciliation for which His Majesty appealed."

Sir James Craig accepted at once; the Southern leader replied that he saw no basis for peace except in the "essential union" of Ireland and "national self-determination." He summoned a Conference of his own at Dublin to consider the invitation; Sir James Craig declined to attend this but Southern Unionists—Lord Midleton and three others—were present on July 4 with Arthur Griffith and Mr. de Valera. On the following day General Smuts, with all the glamour of his success in South Africa around him, and backed by the *prestige* of an Imperial Conference sitting in London, was in Dublin conferring with the leaders. On July 8 the Prime Minister's invitation was accepted, tentatively, by De Valera in order "to discuss on what basis such a Conference as that proposed can reasonably hope to achieve the object desired"; arrangements at the same time were made between General Sir Nevil Macready and R. C. Barton and E. J. Duggan of the Republican Army for a period of truce; a Manifesto from De Valera called upon soldiers and citizens to be the "custodians of the nation's honour" and, at the same time, to be ready if necessary to resume hostilities.

The meeting took place in London on the 12th, there was no formal Conference and on the 21st it was stated that no basis for a Conference had been found; Sir J. Craig had, meanwhile, also been in London conferring with the Prime Minister. On Aug. 6th following the Government's announced desire to facilitate peace parleys, all the members of the Dail Eireann then in gaol were released; on Aug. 15 the Government's offer and policy in the negotiations between Messrs. Lloyd George and De Valera were published; on the following day Dail Eireann met in Dublin to consider the proposals and each member took an oath in which he swore that "to the best of my knowledge and ability, I will support and defend the Irish Republic and the Government of the Irish Republic, which is Dail Eireann, against all enemies, foreign and domestic." The British standpoint in these negotiations and the issues thus placed before Parliament and the Dail Eireann had been summarized by Mr. Lloyd George in the Commons on July 20th:

> The British people cannot believe that where Canada and South Africa, with equal or even greater difficulties, have so signally succeeded, Ireland will fail; and they are determined that, so far as they themselves can assure it, nothing shall hinder Irish statesmen from joining to build up an Irish State in free and willing co-operation with the other peoples of the Empire. Moved by these considerations, the British

Government invite Ireland to take her place in the great association of free nations over which His Majesty reigns. As earnest of their desire to obliterate old quarrels and to enable Ireland to face the future with her own strength and hope, they propose that Ireland shall assume forthwith the status of a Dominion, with all the powers and privileges set forth in this document. By the adoption of Dominion status it is understood that Ireland shall enjoy complete autonomy in taxation and finance; that she shall maintain her own courts of law and judges; that she shall maintain her own military forces for home defence, her own constabulary and her own police; that she shall take over the Irish postal services and all matters relating thereto, education, land, agriculture, mines and minerals, forestry, housing, labour, unemployment, transport, trade, public health, health insurance, and the liquor traffic; and, in sum, that she shall exercise all those powers and privileges upon which the autonomy of the self-governing Dominions is based, subject only to the considerations set out in the ensuing paragraphs. Guaranteed in these liberties, which no foreign people can challenge without challenging the Empire as a whole, the Dominions hold each and severally by virtue of their British fellowship a standing amongst the nations equivalent, not merely to their individual strength, but to the combined power and influence of all the nations of the Commonwealth. That guarantee, that fellowship, that freedom, the whole Empire looks to Ireland to accept.

The exceptions were that (1) the Royal Navy alone must control the seas round Ireland, and must have in Irish harbours and on Irish coasts the rights and liberties essential for naval purposes; (2) the Irish Territorial Force should within reasonable limits, conform in numbers to the military establishments of the other parts of these Islands; (3) Great Britain to have all necessary facilities for the development in Ireland of defence and communication by air; (4) voluntary recruiting for the regular Naval, Military, and Air Forces of the Empire to be permitted throughout Ireland; (5) no Protective duties or other restrictions to be placed by either the British or the Irish Government on the flow of transport, trade, and commerce between any ports of the British Isles; (6) Ireland to assume responsibility for a share of the National Debt and the liability for war pensions, the share (failing agreement) being determined by arbitration. It was urged that the Settlement should take the form of a Treaty embodying these conditions; as to Ulster, under no condition would the British Government consent to "any proposals which would kindle civil war in Ireland"; internal questions connected with establishment as a National unit or as Northern and Southern Ireland would be left to Irish negotiation.

Such were the proposals placed in definite form before the Irish leaders as a basis for negotiation. On Aug. 10 acceptance was refused by Mr. de Valera and his colleagues in Dublin; the Republican leader declared the best course to be "amicable but absolute Separation"; described Dominion status for Ireland as illusory and impossible; intimated readiness to accept "a certain treaty of free association" with the British Commonwealth group of nations and stated, as to Ulster, that "we cannot admit the right of the British Government to mutilate our country."

Mr. Lloyd George had replied on 13th Aug. in very definite terms. Speaking of the claim for Secession he was emphatic: "No such right can ever be acknowledged by us. The geographical propinquity of Ireland to the British Isles is a fundamental fact. The history of the two Islands for many centuries, however it is read, is sufficient proof that their destinies are indissolubly linked. Ireland has sent members to the British Parliament for more than 100 years. Many thousands of her people during all that time have enlisted freely and served gallantly in the Forces of the Crown. Great numbers, in all the Irish Provinces, are profoundly attached to the Throne. These facts permit of one answer, and one only, to the claim that Britain should negotiate with Ireland as a separate and foreign Power."

Meantime, General Smuts had written to Mr. de Valera (Aug. 4) at great length. His points as to Ulster were strongly put: "My conviction is that for the present no solution based on Ulster coming into the Irish State will succeed; Ulster will not agree, she cannot be forced, and any solution on those lines is at present foredoomed to failure. I believe that it is in the interest of Ulster to come in, and that the force of community of interests will, over a period of years, prove so great and compelling that Ulster will herself decide to join the Irish State." As to the rest, he urged concentration upon a free constitution for the South of Ireland, as the first stage in a process through which South Africa had already passed: "Freedom will lead inevitably to unity; therefore begin with freedom. As to the form of that freedom, here, too, you are called upon to choose between two alternatives. To you, as you say, the Republic is the true expression of national self-determination. But it is not the only expression; and it is an expression which means your final and irrevocable severance from the British League. And to this, as you know, the Parliament and people of this country will not agree." He urged acceptance of the Dominion status offered. Sir James Craig intimated that Ulster would not come into the Union, but would do nothing to block the way to a fair settlement for Southern Ireland.

The failure in negotiations then came before Dail Eireann and in his speeches (Aug. 16-17) Mr. de Valera was explicit against further negotiations or any acceptance of the proposed terms; the answer of that body to the Prime Minister on Aug. 25 was forwarded by its President and was a straight advocacy of Independence; the only basis for discussion and peace was said to be "the principle of government by consent of the governed." Mr. Lloyd George answered on Aug. 26 with an expression of deep disappointment and the ringing declaration that under his proposals Ireland would be free within its own shores, be free in every aspect of national activity, national expression, and national development and, therefore, would have government by the consent of her governed. He quoted Grattan and O'Connell, Davis and Parnell against talk of separation and in-

stanced the United States as a nation that, like the British, would not accept disintegration. Meantime, in the Commons on Aug. 19, the Prime Minister had declared he could do no better in terms: "We have put forward everything we thought it was possible to concede in order to purchase peace and the good will of the Irish people. It is not a question of working out the terms, it is a question of explanation, of elucidation and elaboration, and not of change in the terms. The outline cannot be altered, nor the basis changed."

The reply of the Dail Eireann was the re-election of Mr. de Valera (Sept. 2) as President; the election one by one of new members of his Cabinet—Foreign Affairs, Home Affairs, Defence, Finance, Local Government, Economics, Fine Arts, Publicity, Education, Labour, Trade, Agriculture and Fisheries; a statement* as to the financial situation presented by Michael Collins, Minister of Finance. Mr. Collins moved and the Dail approved, a new Loan in Ireland of £500,000 and in the United States of £20,000,000. He explained that: "All the arrangements are complete in the United States, and they only await the formal word to go ahead. When we started as a Dail in January, 1919, we started our financial career on a loan of £1,000. We were fortunate in getting from the great mass of the people subscriptions to the Self-Determination Fund—the back-wash of subscriptions to the Anti-Conscription Fund—amounting to £65,000. That is really the only money we had for a long time after starting, until at a meeting of the Dail the loan of £250,000 was passed for immediate issue in Ireland. That loan eventually realized £400,000 and the loan in the United States just over $5,000,000." Under date of Aug. 30 Mr. de Valera wrote a long, argumentative letter to the British Premier stating that the Dail position was "irrevocable"; if further conference took place it must be with plenipotentiaries "untrammeled by any conditions save the facts."

On Sept. 7th Mr. Lloyd George made another effort and sent a note from Inverness to Mr. de Valera which, after stating the impossibility of separation or a republic, proceeded: "You will agree that this correspondence has lasted long enough. His Majesty's Government must, therefore, ask for a definite reply as to whether you are prepared to enter a Conference to ascertain how the association of Ireland with the community of nations known as the British Empire can best be reconciled with Irish national aspirations." The reply (Sept. 12) accepted the invitation but reiterated the position of Ireland as a "Sovereign State." The Prime Minister's response was a telegram from Scotland (Sept. 15) cancelling arrangements for the Conference and pointing out that the Government had always refused to recognize this claim and must continue to do so. Further despatches were interchanged and, on Sept. 19, the Irish leader intimated his willingness to enter a Conference free on both sides,

*Note—The *Irish Examiner*, Dublin, Sept. 3, 1921

and without prejudice should agreement not be reached. Finally, on Oct. 11, Mr. Lloyd George issued a new invitation which was at once accepted.

The Conference opened at No. 10 Downing Street on Oct. 10 with D. Lloyd George, Lord Birkenhead, Winston Churchill, Sir L. Worthington-Evans, Sir H. Greenwood and Sir Gordon Hewart as the British representatives; Arthur Griffith, Michael Collins, R. C. Barton, E. J. Duggan and C. Gavan Duffy were the Irish delegates. Thomas Jones and Lionel Curtis were the British Secretaries, Erskine Childers and John Chartres the Irish ones. At the same time Mr. de Valera issued an Appeal to the people to stand by their principles no matter what the result in London. It was not a peaceful or conciliatory document. Then came the De Valera cable to the Pope which threw fresh difficulties in the way of the Conference by repudiating allegiance to the King; this was met by the Delegates declaring its terms to be not binding upon them. In the Commons on Oct. 31 a direct mandate was given the Government to proceed with its negotiations, by a vote of 439 to 43; Mr. Lloyd George had, meanwhile, to reconcile British policy and Southern Ireland proposals in the Conference and, any result achieved, with Ulster sentiment outside the Conference and with the views of his Unionist supporters in Parliament. On Dec. 6th it was announced that this difficult task had been measurably accomplished; that a Treaty had been arranged and the Agreement signed by all the Delegates. By the Agreement an Irish Free State was to be created with the following as the basic and fundamental clauses:

1. Ireland shall have the same constitutional status in the Community of Nations known as the British Empire as the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, and the Union of South Africa, with a Parliament having powers to make laws for the peace, order and good government of Ireland, and an Executive responsible to that Parliament, and shall be styled and known as the Irish Free State.

2. Subject to the provisions, hereinafter set out, the position of the Irish Free State in relation to the Imperial Parliament and Government and otherwise shall be that of the Dominion of Canada, and the law, practice and constitutional usage governing the relationship of the Crown, or the representative of the Crown, and of the Imperial Parliament to the Dominion of Canada shall govern their relationship to the Irish Free State.

3. The representative of the Crown in Ireland shall be appointed in like manner as the Governor-General of Canada and in accordance with the practice observed in the making of such appointments.

4. The oath to be taken by Members of the Parliament of the Irish Free State shall be in the following form: I.....do solemnly swear true faith and allegiance to the Constitution of the Irish Free State as by law established and that I will be faithful to H. M. King George V., his heirs and successors by law, in virtue of the common citizenship of Ireland with Great Britain and her adherence to and membership of the group of nations forming the British Commonwealth of Nations.

5. Neither the Parliament of the Irish Free State nor the Parliament of Northern Ireland shall make any law so as either directly or

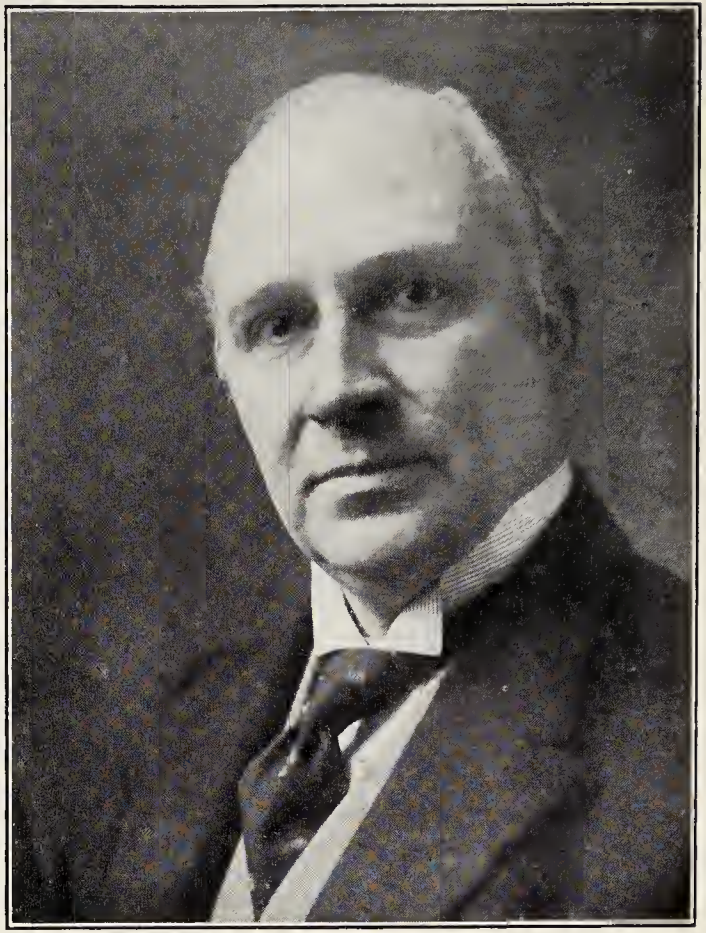
indirectly to endow any religion or prohibit or restrict the free exercise thereof or give any preference or impose any disability on account of religious belief or religious status or affect prejudicially the right of any child to attend a school receiving public money without attendnig the religious instruction at the school or make any discrimination as respects State aid between schools under the management of different religious demominations or divert from any religious denomination or any educational institution any of its property except for public utility purposes and on payment of compensation.

Arrangements were made to exclude Ulster or Northern Ireland, if desired by the Province, and as to details regarding Ulster guarantees and a Boundary Commission, Harbour facilities, Defence, Debt and Finance. Open Ports and other relations and safeguards. British troops were to leave Ireland within one month of ratification of the Treaty and the King at once (Dec. 9) issued a proclamation of amnesty for all Irishmen suffering imprisonment. The press and public of Great Britain greeted the news with enthusiasm; in Australia and Canada there was general satisfaction expressed and in the United States only the more violent organs of extremist thought, such as the *Irish World*, opposed the Agreement. The Australian, New Zealand and South African Prime Ministers cabled congratulations; the Australian Senate unanimously expressed its approval as did the Premiers of New South Wales and South Australia; Cardinal Logue (*Times* interview Dec. 12) urged acceptance of the Treaty and deprecated opposition in the Dail. In Dublin Mr. de Valera at once announced his refusal to present the Treaty to the Dail Eireann for ratification and declared the terms of the Agreement to be "in violent conflict with the wishes of the majority of this nation, as expressed freely in successive elections during the past three years." In a further statement he used words which were of future import: "The honour of the nation is not involved unless and until the Treaty is ratified."

In the *Weekly Despatch* of London Sir Hamar Greenwood declared that "achievement, not humiliation, is the note in the Treaty of peace with Ireland, for the Irish race throughout the world"; Ulster definitely refused to join the new Free State. The British Parliament, especially called for Dec. 14, was opened in great state and gave an ovation to the Prime Minister while the King's Speech declared that: "It is my earnest hope, by the Agreement now submitted to you, that the strife of centuries may be ended, and that Ireland as a free partner in the commonwealth of nations forming the British Empire, will secure fulfillment of the nation's ideals." Mr. Lloyd George summed up the situation in these words: "Here is the Agreement. On the British side, allegiance to the Crown, partnership in the Empire, security for our shores, and the non-coercion conditions that we have always laid dawn. On the Irish side there is one supreme condition: that the Irish people as a nation shall be free in their own land to work out their own national destiny in their own way, and within their own boundaries."



Arthur Griffith
Elected President of the Dail Eireann, Dublin, in 1921;
An elected Member of the Parliaments of Great
Britain, Ulster and Southern Ireland.



The Rt. Hon. Sir Hamar Greenwood, Bart., K.C., M.P.
Secretary of State for Ireland, 1920-21.

After an historic debate the Agreement passed the Commons by 401 to 58 and the Lords by 166 to 47 votes. In the Dail Eireann Mr. de Valera proposed a substitute for the oath of allegiance but was defeated by a large majority on Dec. 15th; this was followed by bitter debates with Griffith and Collins defending the Treaty and De Valera, Austin Slack, Cahal Brugha, Count Plunkett, Erskine Childers and John MacSwiney leading the opposition. An adjournment was taken and on Dec. 23 opinion expressed by telegrams from 25 Counties in Southern Ireland apparently showed 90 per cent. favourable to the Treaty. At Queenstown on Dec. 25 Bishop Browne of Cloyne asked the 4,000 people present to support the peace Agreement and issued a pastoral urging public meetings and a public demand to the Dail for its support. Sinn Fein journals such as the Enniscorthy *Echo*, the Kilkenny *People*, the Carlaw *Nationalist*, the Cavan *Anglo-Celt*, the Ulster *Herald*, the Derry *Journal*, the Donegal *Vindicator*, the Tipperary *Star*, all urged acceptance. Resolutions in favour of ratification poured into Dublin and up to the end of the year 16 county councils, 46 urban and rural district councils, 22 Sinn Fein executive bodies, 20 Sinn Fein clubs, three corporations, 8 town commissioners, 9 boards of guardians, 32 farmers' associations and 16 other public bodies had demanded ratification. Eventually the Dail Eireann ratified the Treaty.*

In this development Canada's place, its loyalty and practical co-operation, its liberty and example, had a great influence. In the spirit which made conciliation possible and compromise practicable the King's personal influence was very marked and was acknowledged by all who understood the situation. In the details of negotiation and correspondence the wonderful ability of Lloyd George was dominant; in certain respects the influence of General Smuts had been very effective. The New York *Tribune* of July 10th, when negotiations began, gave another tribute which must not be overlooked: "For the public change in attitude the Bishops and clergy of Southern Ireland are entitled to great credit. For more than a year they have opposed the policy of the uncompromising Sinn Fein element. They have run the risk of alienating the most loyal daughter of the Church, nevertheless they have persisted in ameliorating labours that have been a mighty influence in relaying the foundations of peace."

Canada and Ireland: Opinion and Action in the Dominion.

During all the Home Rule controversies of latter years, Canada had been more or less an object of discussion, reference and conclusion; when the question of Dominion status for Ireland appeared a practicable one the experience, position, and attributes of Canadian government became vitally important. At this juncture it was an interesting fact that the real administrator of Irish affairs was a Canadian born and

*Note.—On Jan. 7, 1922, it was approved by 64 votes to 57; Mr. de Valera resigned the Presidency and Arthur Griffith was elected President of the Dail Eireann with Michael Collins as head of a Provisional Cabinet.

bred; Lieut.-Col. the Rt. Hon. Sir Hamar Greenwood, Bart., K.C., M.P., had been sworn in as Chief Secretary for Ireland on May 6, 1920; courageous, able and energetic, he had made his mark in everything with which he was associated during a rapid rise in public life. It was claimed by those who supported the Dominion status ideal that Canada's position meant liberty and loyalty, self-government and Empire unity, prosperity and absolute control of its own resources and interests, freedom, in the end for Ulster, as for Quebec, within its jurisdiction. Opponents of the older Conservative type in England urged that Dominion status also meant control of Tariffs and Defence which, in Ireland, would be dangerous; opponents in Ireland of the republican, De Valera, type declared that it meant allegiance to the King, unity with the Empire, co-operation in foreign policy and was, therefore, inadmissable.

There were, in this year, two clearly defined opinions in Canada as to the Irish question. One element was represented by the Self-Determination League in Canada, of which Lindsay Crawford was President, with branches in the chief centres; even in this organization, however, there were many degrees of feeling and expression and many who wanted Home Rule and not Independence for Ireland. The other was the Orange Order with uncompromising support of Ulster, a vigorous defence of British policy and action in Ireland and keen hostility to the Church of the Irish majority. Mr. Crawford had the outside support of J. S. Ewart, K.C., Henri Bourassa and other Canadian Nationalists; his organ *The Statesman*, published in Toronto, was a clever, bitter journal of extreme opinions in everything touching the British Empire. Its character may be illustrated by two or three editorial statements. On Jan. 29, 1921, it was said: "To ask the Irish in Canada to honour a flag stained with the blood of their people and to declare loyalty to a Throne that rests upon the might of armed assassins, is to ask them to profane the temples of their fathers, and to betray their Motherland in the hour of her greatest agony." On June 11th Lord Byng's appointment as Governor-General was described as showing "a studied contempt for national sentiment in Canada"; on July 16 a long article by Judge D. F. Cohalan of New York was published in the journal and included a statement that "the English have immense holdings to the north of us, in Canada," which "should be turned over to the people in order that they may establish for themselves republican institutions."

The Self-Determination League for Ireland. Assisted by Miss Katherine Hughes, a clever and vehement supporter of his opinions, Mrs. Rose Henderson, a well-known Socialist speaker of Montreal, and others, Mr. Crawford succeeded, during 1920 and 1921, in establishing the Self-Determination for Ireland League of Canada and Newfoundland with branches in all the Provinces. At Ottawa on Oct. 17, 1920, the League had been organized as a National Society with 700 delegates present

representing every Province in Canada, and F. S. Cahill, M.P., in the chair. The other chief speakers were Lindsay Crawford, A. Lavergne and C. J. Foy, K.C., of Perth. A long letter was read from Mr. de Valera at Washington which concluded with an expression of thanks from the people of Ireland to the League: "They are confident that no enlightened Canadian will be able to stand by and see unoffending people massacred in an attempt to force them under a rule and sovereignty under which they do not desire to live—a rule which is as hateful to them as the rule of Germans was hateful to the Belgians." The delegates stood and cheered and then Mr. Foy gave his view of the situation: "If Ireland wishes to have Home Rule, a Republic, or to remain subservient to Great Britain, I am satisfied. I will be content with any form of Government the Irish people accept." Mr. Lavergne described himself as a British subject by birth but as being ashamed of it when he thought of England's conduct in Ireland.

A National Council of the League in Canada was created with Mr. Crawford as President and the 9 Provincial Presidents as Vice-Presidents; the Ontario Provincial League was organized with Mr. Foy as President. Only two Resolutions* were passed. The first denounced reprisals by Police in Ireland, recognized the right of Ireland to self-government, and pledged the League to support the Sinn Feiners; the second condemned any attempt to curtail the rights of the French language in Canada, and expressed sympathy for the French-Canadian people in their maintenance of schools and colleges of their own language. At the public meeting in the evening Mrs. Hector Prenter of Toronto spoke as a member of the League and the Independent Labour Party; she denounced the press and people of Canada as uneducated and declared it was necessary to keep the spirit and gospel of Sinn Fein "brotherhood" before the public. Mr. Crawford concluded his speech with the remark that "we go to-morrow to meet the President of the Irish Republic," and the meeting broke up after singing "God Save the King"!

A short time before this, at Quebec City, on Aug. 29, the Quebec Provincial Branch of the League had held its first convention. F. S. Cahill, M.P., Quebec, was elected President and M. Monahan, Quebec, P. Doyle, Montreal, Armand Lavergne, K.C., Quebec, and Lucien Cannon, M.P., Vice-Presidents. At a public meeting addresses were delivered by Messrs. Cahill and Lavergne and Miss Hughes and a telegram sent to Mr. de Valera at Plattsburg, New York, as follows: "The delegates of the League of Self-Determination for Ireland in Canada, assembled in Provincial Convention in Quebec City, greet and pledge unswerving loyalty to the principles upon which your Government is established." The following Resolution was passed:

The Quebec Provincial Convention of the Self-Determination League of Canada, while declaring our abiding loyalty to Canada, her laws and

*Note—Toronto *Globe* report of meeting.

institutions, are resolved that we uphold Ireland's right to complete national Independence, that we are organized to inform the Canadian public of the facts which maintain the justice of recognizing the form of government which now exists and functions in Ireland by the consent of the overwhelming majority of the people of Ireland and, moreover, to diffuse a more intimate knowledge of Irish history and stimulate a just pride in Irish ideals and achievements, thus enabling our people to contribute in the highest degree to the enrichment of Canadian culture.

Prior to these incidents and afterwards Mr. Crawford travelled much and made many speeches with varied experiences. The San Francisco *Examiner* reported him as saying in that city on Jan. 30, 1920, that: "If Ireland successfully maintains its right of national evolution, the results to Canada and the other Dominions will be incalculable. We, in Canada, realize more and more clearly what Lincoln meant when he said that 'No Government can endure half slave, half free'." On May 11, following, the Winnipeg Kiwanis Club refused to hear Mr. Crawford further after he had made a reference to Englishmen as "foreigners," and they closed the luncheon with "Rule Britannia." Early in December he spoke, or endeavoured to do so, at various places in the Maritime Provinces with mixed results. A Fredericton meeting on the 3rd with Hon. P. J. Veniot, M.L.A., in the chair was broken up by 200 returned soldiers who asked questions about Secession of Ireland from the Empire, De Valera and a Republic, etc. Mr. Crawford said the League was not in favour of an Irish Republic. At Moncton, N.B., on Dec. 7th, his reception was even worse and a stormy meeting concluded with the crowd forcing the speaker to kiss a Union Jack. Elsewhere he had good hearings and at a Quebec meeting on the 9th stated that the League had 200,000 members in Canada.

Speaking at Detroit to the "Friends of Irish Freedom" organization, he was locally reported as saying: "Why do we want Independence in Ireland? Why will we not accept Dominion Home Rule? Because we could not be satisfied with that form of government, any more than they are satisfied with it in Canada or Australia or South Africa." In April, 1921, a Western tour was undertaken and at St. Boniface, Man., Mr. Crawford addressed a crowded meeting on Apr. 3rd and a smaller audience in Winnipeg, on the 4th, with the Economic condition of Ireland as his subject. At one of two meetings in Regina (Apr. 12) there was some trouble from the War veterans; in Edmonton on the 17th there was a large gathering and here and elsewhere he described the chief Irish issue as economic —an industrial North against an agricultural South.

As Vancouver on Apr. 22 there were stormy scenes during an attempted meeting and any others were forbidden by Mayor R. H. Gale. At Calgary on May 1st Mr. Crawford stated that Canada had self-government and that was what Ireland wanted. At St. Jean, Man., on May 14 he told a large audience that the chief difficulty in the way of Canada's Independence was the fear entertained by the French population that it would place

the French at the mercy of those who had declared war on the French tongue and French culture. A meeting of the League was held in Winnipeg on May 15 and, in reply to a question as to England's safety with an independent Ireland, Mr. Crawford said that a British guarantee of Ireland's neutrality would ensure its friendship. At Ottawa on his return from the West Mr. Crawford (May 23) charged "criminal collusion between Police and the rowdy element"—instigated by Orange interests—as the cause of his troubles.

Others expressed similar views. Addressing a League meeting in Montreal on May 16, Mr. Lavergne denounced England as "the greatest murderer of small nations," dealt with alleged English crimes in Ireland, and declared that he would, as a Christian, be a rebel so long as the Union Jack gave shelter to murderers. From Mr. Lavergne to Osmonde Grattan Esmonde was a far cry, but on June 20 the League in Montreal heard this "Special Envoy of the Irish Republic to Australia." Mr. Esmonde was a son of Sir T. Grattan Esmonde, Bart., a veteran Home Ruler; he had been refused admission to Australia and had returned *via* Vancouver where he was allowed to land on condition that he made no speeches; the promise, if made, as stated in the press, was broken and he was arrested, tried for sedition and convicted; he was released on condition that he returned to England without further public action. His speech at Montreal was a vehement exposition of Sinn Fein opinion—ending with the hope that "henceforth French-Canadians and Canadian-Irish would fight together for faith and liberty."

In this city on Nov. 7 a National Convention of the League was held with 500 delegates present; Mr. Bourassa was the chief speaker and, during nearly three hours, dealt with the Irish question; he claimed it to be a religious issue primarily, and a minority question secondarily, and that it would be solved if the fundamental principle of government by majority rule was applied. A cabled "assurance of continued support" was sent Mr. de Valera and a Resolution passed protesting against British imprisonment for political offences; renewing pledges of friendly co-operation with French-Canadians; urging the Canadian study of Irish life, problems, history, literature, language, games, etc.; expressing "our earnest hope that the negotiations now proceeding may avert the dread alternative of a resumption of war, but no settlement can be affected, of an honourable and lasting character, that is not in consonance with the will of the Irish people." Mr. Crawford was re-elected National President and upon the Council was Bishop O'Leary of Charlottetown.

Following this meeting and other events Hugh O'Neill, President of the New Brunswick Branch of the League, cabled (Dec. 9) congratulations to Mr. de Valera upon the signing of the Treaty; at Ottawa on Dec. 19 the Ontario Province Branch met in convention with C. J. Foy in the chair and declared the ultimate goal of the League in Canada to be "complete inde-

pendence for Ireland."* Meantime, the League had, through T. R. Donovan, National Secretary, of Ottawa, written to Mr. Meighen, as Prime Minister, on May 24 requesting him at the coming Imperial Conference to make representations to the British Government as to the position of Ireland. His reply described the constitutional relations of the countries concerned and cited the 1882 reply of the British Government to Canada's Resolution as to Home Rule:

> It has always been the position of Canadian Governments that any interference from other parts of the Empire in what are regarded as Canadian domestic affairs is both improper and unconstitutional; and there is no doubt that the Canadian people regard this as a cardinal principle. Among what they regard as Canadian domestic affairs there is equally no doubt that they include the relations between the constituent parts of the Dominion. Any step from outside, whether by way of tendering advice or otherwise, which could be in any sense regarded as an expression of opinion or an intervention concerning such relations would, therefore, be strongly resented by Canadians. This being so it is incumbent upon Canadian Governments to refrain from any intervention in the domestic affairs of other parts of the Empire. The representations you ask me to make are concerned with the relations between the constituent parts of the United Kingdom, and these, under the rule we insist upon applying in our own case, are the domestic affairs of that country.

Ulster and the Orange Order in Canada. The Loyal Orange Order in Canada at this time stood vigorously upon the platform of Ulster; as Sir Edward Carson and Ulster spoke it acted —with the addition of supporting Protestantism in any purely Canadian issues which might develop; in a country where so large a part of the population was Catholic, there was generally some subject available for discussion! During 1920 and 1921 the *Sentinel* newspaper of Toronto represented the thought of this Order with vehement attacks upon Sinn Fein in all its phases and upon Roman Catholicism as being, it was claimed, responsible for the situation. The Ulster delegation which visited the United States and Canada in 1920, in order to place their side of the case before the people—especially of the United States—met with notable welcomes in New York, Pittsburg, Philadelphia, Columbus, Dayton, Detroit, New Orleans, Los Angeles and Seattle; received, also, an enthusiastic reception at Toronto and Ottawa and other points. Composed of William Coote, M.P., Rev. A. Wylie Blue, Rev. L. W. Crooks, Rev. William Corkey, Rev. F. E. Harte, Rev. Edward Hazelton and Rev. C. Wesley Maguire, the Orangemen of Toronto on Feb. 10-12 turned out in force to welcome the visitors.

A luncheon tendered by 150 Protestant ministers and a Reception by the Mayor and Council in the City Hall was followed by an Orange meeting in the County Orange Hall when Mr. Coote proclaimed, amid wild applause, that: "The only force that stands firmly arrayed against Fenianism, Bolshevism, Terrorism, and Sinn Feinism in Ireland to-day is, as regards Ulster,

*Note—Despatch in Toronto *Globe*, Dec. 20, 1921.

the institution of Orangeism. x x x With rebel Ireland (under Home Rule) as a base for German submarines during the War the end might have well been otherwise. It was Ulster that saved the Empire in this emergency by refusing to have Home Rule." He declared that the Roman Catholics were getting control of Education in the United States with, already, 60 per cent. of the teachers belonging to that faith. So with other speeches. At the Empire Club luncheon on the 12th the speakers dealt largely with economic conditions in Ireland. Mr. Coote declared that landlordism—an evil from which the country had suffered—was now gone: "The farmers have been given £150,000,000 by the British Government at 3¼ per cent. interest to buy out their land, so that eventually the land will be as free as the Canadian prairies. After helping the farmer the Government has turned to the labourer and has furnished about 30 million pounds at 2⅛ per cent. to provide him with cottages—well-built stone cottages with slate roofs, in acre and half-acre plots. There are 80,000 of these and the cottagers pay only about 30 to 36 cents per week."

In the evening three crowded meetings were held and addressed by the Delegates and a Resolution passed at each: "We approve the action of the people of Ulster before, during and since the War, and call upon His Majesty's Government to maintain the liberties of the people of Ulster and the Protestants of Ireland, the integrity of the United Kingdom and the Empire principles for which our Canadian sons laid down their lives in the Great War." At Ottawa on the 13th the delegates were tendered a luncheon by the Ministerial Association, a dinner at the Chateau Laurier by the County Orange body while three large meetings were held in the evening. Mr. Coote at one of these was militant and stated that there were in Ulster 200,000 Orangemen who could be mobilized in two days; all the speakers freely denounced the Roman Catholic Church. On the 14th they were entertained at a Y. M. C. A. luncheon and visited the Parliament buildings.

The Orange Order at all its meetings during 1921 put itself on most vigorous record in denunciation of Sinn Feinism; the Self-Determination League of Canada also came in for much criticism. At Chilliwack, B.C., on Feb. 16 the Grand Master of the Grand Lodge of that Province (Rev. C. W. Whittaker) declared that: "In Canada the League is merely another name for Sinn Fein, and its leaders, if one must judge by their addresses, are disloyal and traitorous. Our brethren in other Provinces have prevented it spreading as fast as it had hoped." The Grand Lodge of Quebec, meeting in Montreal on Mch. 1st, passed Resolutions of "sincere gratitude to Sir Edward Carson for his brave and sturdy leadership of our loyal Ulster"; of congratulation to Sir James Craig as the new Ulster leader; of praise to Mr. Lloyd George "for his unswerving determination to uphold the principles of British law and freedom in Ireland."

To the Grand Lodge of Ontario West, at Niagara Falls on Mch. 9, Donald Sharpe, G.M., in his address claimed that Sinn Fein was "the guiding and controlling force in a world-wide conspiracy to wreck the British Empire"; Stewart Adrian, G.M., of the Saskatchewan Grand Black Chapter, declared at Regina on Mch. 1st that the cry of Ulster was from "a heart almost broken in despair at the thought of cruel and unjust oppression" under Home Rule. The Grand Black Chapter of Ontario East (Lindsay, Mch. 15) passed a Resolution denouncing "the seditious, anti-British propaganda of the Self-Determination League"; and that of Alberta, at Edmonton on Mch. 15, passed Resolutions describing the propaganda of the Self-Determination League as tending to disrupt the Empire, while it, also, urged "One School and One Language" for all Canada.

When the Ulster elections resulted in a Unionist victory, a large meeting in Toronto on June 7, after speeches from Fred. Dane, Mayor T. L. Church and H. C. Hocken, Grand Master in Canada, cabled congratulations on the "magnificent results of the recent elections and the determined expression to remain within the Union." On July 12 there were some fiery Toronto speeches at Exhibition Park. Mr. Lloyd George had just invited Craig and De Valera to a Conference. R. Clements Lyttle, a Belfast Orangeman, said to the gathering: "I would to God that we had the lads who laid down their lives and sleep with your Canadians on the Somme, and there would be no peace conference to-day." Dr. Charles Sheard, M.P., (*Globe* report) stated that Lloyd George in Conference was dealing with men "who have exhausted every crime, who have attacked civilization itself and who have abused every law." H. C. Hocken devoted himself to the Separate School issues in Canada. All over the country similar meetings were held and speeches made.

At Ottawa Hon. W. D. McPherson, K.C., Deputy Grand Master of British America, delivered a careful address upon the Order and its work: "The Orange Association in Canada has been in existence for almost a century. It was founded to maintain the open Bible; to resist religious persecution, not to impose it upon others; to preserve religious freedom and civil liberty for the people of Canada. From its formation it has been a distinct and powerful influence for British connection and a sturdy if not always successful opponent of clerical aggression." At the 9th annual Meeting of the Grand Orange Lodge of British America, Toronto, on July 27, H. C. Hocken, M.P., Grand Master, stated that nearly 8,000 new members had joined in the past year. As to Ulster: "If the negotiations now proceeding fail it will not be the fault of Northern Ireland. All it asks is security within the Empire to work out its new institutions." He described the Self-Determination League as a "disloyal organization" and stated that "in every centre where its advocates attempted to rouse dissatisfaction it was met by the strong and determined opposition of the loyal members of our Order."

On July 25 the Grand Black Chapter of British America met at Toronto and W. H. G. Armstrong of Saskatoon, Grand Master, referred to the pending negotiations, denounced the Sinn Fein as having organized "a reign of terror" in Ireland and fervently hoped that the loyalty and institutions of Ulster would be safeguarded. To the Master of L.O.L. 876, North Bay, came a letter, dated Oct. 19, from Sir James Craig in which he expressed thanks for good wishes and added: "The people here are even more determined than at any other time in their history to stand fast by the British Empire, to rejoice in its achievements, and to bear their rightful share of its burdens. No matter from what source the attack may come, we will honourably maintain the position—much the same as your own—as an invulnerable outpost of Great Britain and the Empire."

Such were the opposing and antagonistic views of two vigorous sections of Canadian public opinion at this period; in between them was the great mass of the people. As extreme opinions always react in an opposite direction it was, perhaps, natural that the Orange leaders would claim greater growth from the propaganda of the Self-Determination League; out of this latter movement, also, came the British Empire League of Canada. Rev. Kennedy H. Palmer of Ottawa was the Secretary and organizer and he stated to the press on Jan. 4, 1921, that branches were being formed in several centres, that all members had to be of Protestant denomination as well as their wives or husbands, and that "the main object of the League, to be always held in view, is the continuance, by all fair means, of British ideals, customs, language and patriotism in all parts of the Empire—one King, one flag, one people, one school, and one language, with equal rights to all." The possibilities for controversy around such an organization in a country like Canada were obvious. Branches, however, were formed during the year in Halifax and Vancouver, and a stormy meeting was held in Toronto on Feb. 17.

Taking Canada as a whole and Canadians of English, Irish, Scotch or French extraction, Catholic and Protestant alike, the news in December of a Treaty between Britain and the Sinn Feiners, of a possible peace and settlement of the age-long problem, was received with undoubted and deep-seated satisfaction. A word must be said as to the attitude of the Canadian Catholic Hierarchy. It was, upon the whole, one of aloofness and, in view of 10 or more Bishops of the Church in Canada being of Irish extraction, it was notably fair. Bishop MacDonald of Victoria, B.C., issued a Pastoral in December, 1920, declaring that "self-determination as a full measure of Home Rule within the Empire, is what we stand for both as Catholics and Canadians"; in reply to criticisms by *The Statesman* he wrote that journal (Feb. 26, 1921) stating that it was not "compatible with our position as Canadians to help Ireland to cut herself adrift from the Empire." Archbishop Sinnott of Winnipeg gave

a contribution in January to the cause of Irish Relief or, as he described it, in a covering letter, "the relief of expelled workers and their dependents, who have been the victims of religious intolerance and bigotry in the city of Belfast."

Archbishop Bruchési of Montreal accepted a place on the local Committee for Irish Relief. Bishop Fallon of London, Ont., a well-known loyalist and, in some respects, an Imperialist, felt very deeply at this time the woes of Ireland and resented bitterly the policy of the British Government and, particularly, the Black and Tan reprisals; a speech of his at London on Mch. 17, 1921, as reported in the Toronto *Globe* of the 18th, was vigorous in its denunciation of existing conditions under British rule. Bishop O'Leary of Charlottetown was on the National Committee of the Self-Determination League. With very few exceptions the Irish Catholic priests of Canada took no public part in the controversy; not as much, perhaps, as the Irish Protestant clergy in some Provinces. The editorial utterances of the Catholic *Register*, Toronto, were vehement and denunciatory of British policy but not more so than was the Orange *Sentinel* of Toronto as to Roman Catholicism in general. The *Canadian Freeman* of London dealt strongly with the subject, also, but these and other journals joined in the note of peace which dominated the world in this connection at the close of 1921.

THE GOVERNMENT OF CANADA

IN 1921

The Meighen Government; Policy and Administration in 1921.

The new Government of Mr. Arthur Meighen entered upon this year with manifold difficulties and with keen opposition from forces which appeared to be growing stronger as time passed on. The real economic aftermath of the War was in process of development; all the discontents and unrest of that painful period were coming to a head without the stimulus of patriotic struggle in a great emergency; very real problems in Railway deficits, lowering prices and deflation, agricultural losses and unemployment, were affecting the people; the Parliamentary majority was shifting and Government policy in some respects undefined while all roads seemed to be leading toward the final arbitrament of an Election. The Group system in politics was a fact with Quebec, for the moment, acting as an isolated though not aggressive section; the United Farmers of the West, under Mr. Crerar, were proving an important fiscal group; the industrial East was struggling to constitute another group and, everywhere, Liberals and Conservatives were trying to revive the pristine powers of their respective sections.

Mr. Meighen was a man of ability and high character, a most capable and convincing speaker, but lacking something of the personal magnetism which, in Canadian politics, has proved so potent an influence. He was the youngest of Canada's Prime Ministers and had only been a dozen years in Parliament when he came into power. He had a temperament of the old-time Conservative type, but it was modified by conditions of Unionism and coalition and association with the moderate views of Sir Robert Borden. The first incident of his administration was completion of a new Trade Agreement with France. Following the French denunciation of the former Treaty, after the Armistice, Sir George Foster had gone to Paris and the result of this visit and succeeding negotiations was a new arrangement which provided (1) for the minimum tariff of Canada to be given in exchange for the minimum French tariff on nearly the whole list of the articles included in the Convention of 1907-09, with a considerably extended list of articles not included in that Agreement; and (2) for a fixed percentage tariff on certain other articles, some of which were included in the preceding Convention at minimum rates and others which were new. It was to remain in force until a more permanent Agreement could be negotiated; it was subject to cancellation on four months' notice by either of the parties thereto. The chief Canadian products enjoying the minimum tariff rates, or a percentage of reduction, were as follows: Prunes, apricots, chocolate, oils, hops, petrol-

eum, and other mineral illuminating oils; heavy oils, certain cobalt products, soaps (not perfumed), steam engines, pumps, compressors, agricultural machines, detached bases of machinery, carriages of steel or iron, stereo plates and plates and dies for printing (except wall-paper), certain household wares and articles of enamel and tin. The principal articles which no longer benefitted by these rates were various iron and steel manufactures, gloves, furniture, pianos and organs.

Other foreign matters of the year affecting the Meighen Government—and apart from the greater issues elsewhere dealt with—included the effort of the Russian Soviet Government early in the year to negotiate trade arrangements with Canada and its failure here as in the United States; the French mission under Marshal Fayolle which visited Ottawa on June 29 to express the gratitude of France for the part played by Canada in the War; the placing of the collection of past due Interest on Greek and Roumanian bonds, held by Canada, in the hands of the British Government early in June and the unsuccessful efforts made by London to obtain satisfaction; the complications which surrounded an effort to float a Chinese one-year Government bond issue of 3,000,000 gold dollars (secured on the salt surpluses), in Canada, as a private matter, with 20 per cent. per annum apparently ensured; the announcement, through a Royal proclamation, that Aug. 31, 1921, was to be treated as the official and technical date of termination of the World-War —following the final Treaties of Peace with Turkey and Hungary; the appointment of an Anglo-German Mixed Arbitral Tribunal in April composed of Prof. Eugene Borel of Geneva, R.E.L. Vaughan-Williams, K.C., of London, and Adolph N. Zacharias of Berlin for the purpose, chiefly, of deciding compensation to be borne by Germany in respect of damage or injury inflicted on the property, rights or interests of British Nationals in German territory as they existed on Aug. 1, 1914; the visit to Ottawa and formal welcome (Oct. 31) of the French Trade Mission headed by Count d'Arnaud, which was to supervise the exhibition of French products in a train touring the Dominion.

Other incidents of this nature included the appeal to the Government (Feb. 5) by an influential Deputation for national assistance to China in respect to the existing famine conditions, with a suggested grant from the year's Chinese poll-tax returns —to which the Premier's response was not favourable; the statement on Feb. 17 that Canada's claim for reparations against Germany, with the exception of losses involved in the sinking of ships which were included in the British total, had been forwarded to the Reparations Commission by the Canadian Government. With the marine losses added, Canada's claim totalled about $1,000,000,000. This enormous sum, however, was not regarded as a practical figure, as it was but one of the items in "moral" damages due from Germany, rather than an actual

amount recoverable under the Peace Conference settlement. Its largest element was the amount paid out, or to be paid out, by the Canada Pensions Board which, as capitalized, was assessed at slightly over $500,000,000. For separation allowance another $100,000,000 was added.

During the year various subjects were brought before the Government by Deputations. A rather important one was that of Jan. 13 when a number of Northern Ontario representatives accompanied by the Ontario Premier (Mr. Drury), Hon. Howard Ferguson, ex-Minister of Lands, and the present Minister (Mr. Bowman), Senator George Gordon and others, urged the Cabinet to do something in the improvement of the French River waterway from Georgian Bay to Lake Nipissing—considered by many as a rival project to that of the deepening of the St. Lawrence. Mr. Drury declared that, in the long run, the French River waterway would justify itself as a revenue-producer and pointed out that completion of the work would make North Bay a Lake port as well as an important railway point; it would stimulate commerce in the North country: "I have no doubt that an arrangement could be made between the Dominion Government and the Hydro-Electric Power Commission, similar to that of the Trent Valley Canal from which the Dominion gets some revenue for its investment." Mr. Meighen pointed out that, with regard to the Welland and Trent Canals, there was litigation in which the Province of Ontario claimed ownership of the water powers. The same claim might be made with regard to the French River, and, if it succeeded, would eliminate the revenue. The Premier also stated that the capital cost of the improvements asked would run from 27 to 30 millions and from $1,500,000 to $1,750,000 a year in interest. He could only promise consideration.

On Feb. 3rd, at a banquet in Montreal, Mr. Premier Meighen gave his preliminary announcement of Government policy to 700 citizens and his analysis of the issues to be dealt with was clear and concise: "This country has undoubtedly big problems ahead. It has its burden of finance. It has social inequalities and evils to ameliorate; it has some class antagonism to dissipate; it has, unfortunately, some racial misunderstandings to dissolve; it has the commercial handicap incident to a young nation to overcome; it has vast resources to develop, and at the same time the just interests of the whole people in those resources to preserve; it has, also, immense railway difficulties to surmount. Besides these purely domestic affairs, there is the ever-present and, indeed, increasing responsibility of the relationship of our country with the Empire and the rest of the world, of its growth within the Empire, and of our voice in the common concerns of the British Commonwealth compatible with that growth." He stood vigorously, and rather satirically, by the policy of Protection: "Here is where I stand. I want the goods we make in this country to be made here still—and more be-

sides—even though they are the necessaries of life; I want the factories that are running in this country to keep on running—even though they are producing foodstuffs; I want the factories that are closed for a time under the stress of to-day to be able to open up as soon as any competitor—even though they are making implements; I want the workman and mechanic who is living here to keep on living here and raising his children here—even though he is making boots and shoes." He claimed to stand for a policy of progress and against reaction, to favour regard and reconciliation as between Quebec and the rest of Canada. Sir L. O. Taillon presided, and Hon. Hugh Guthrie also spoke.

On Apr. 2nd, at Montreal, Mr. Meighen addressed a large gathering of women with Mrs. Henry Joseph in the chair. An argument made for the maintainance of the Tariff was that conditions were better in Canada than in the United States: "In the metal trades during the month of January, in Canada, 90·9 per cent. of all those seeking work were employed while in the United States there was but 69·5. In the textile trade Canada employed 82·3 per cent., the States only 64·6. In the automobile industries, one of those which suffered most, the nation to the south was using but 30·8 per cent. of those ordinarily employed, while Canada was using 61·9. In the building trades Canada employed 72·9 per cent. and the United States but 47·6 Only in boots and shoes was the advantage with the United States." At Ottawa, on Apr. 8, Mr. Meighen spoke to a Rotary Club Convention; in Toronto on Apr. 16 he told a Conservative meeting that in railway matters the Government intended to be steadfast in its policy of handling the system to the best advantage, and its members believed that years and experience would teach them where improvements could be made; speaking to a women's gathering on the same day, he attacked his Liberal and Agrarian opponents as a "bifurcated campaign, under two leaders and two flags, but really under one leader in one part of the country and another leader in another part;" he also unveiled a Queen's Own Memorial to Major-Gen. M. S. Mercer.

The Premier's speech on the Budget (May 13) was an able presentation of Government policy and critique of the Opposition platforms. He emphasized the claim that Mr. Crerar and the Progressives had never formally presented their policy to Parliament or placed the Agrarian platform upon the pages of *Hansard*. He analyzed and criticized the Liberal platform and described the policy of the Government as one of "moderate protection". At Fredericton, on May 23, Mr. Meighen spoke to 3,000 people in defence of his Government and its policy and in support of R. B. Hanson, K.C., who was contesting the York-Sunbury bye-election. He dealt largely with the attitude of the Progressives or Farmers' party and vigorously denied that the Government was the friend of the "big interests"—citing the heavy Income taxes it had imposed upon the wealthy. He

claimed that Free trade would result in the ruin of Canadian industries and would leave Canada at the mercy of the great industries of the United States; recalled the experience of the Dominion in wheat and potato deals with the Americans; declared that Canada had less unemployment than any other nation in the world, while her Defence bills were the smallest known; admitted there was a large number of lawyers in the Commons, but thought that men who were trained in the law were well qualified to have a part in its making.

In the House on June 2nd the Premier dealt with the Returned Soldier problem. He spoke of the various schemes suggested and of what had been done and, especially, of the proposal that the Government should set $50,000,000 aside for Housing. Mr. Meighen did not think this plan was economically wise or that it would bring results commensurate with the costs. Were the Government to grant loans for building purposes the level of prices for materials entering into building would be maintained, and building by private interests prevented rather than encouraged. Another result was that the Government would have left upon its hands houses which were constructed at high prices, and for which those who had built them would be unable to pay. Such a policy would not be a cure; it would be merely a palliative and, in the end, the evil would be greater. The Government, however, recognized the necessity of some assistance to Housing, and a vote of $12,000,000 would be found in the Supplementary Estimates to assist Provincial action. The original provision under this head was $25,000,000, of which $15,000,000 had been expended, with $10,000,000 still available. The Government had decided to add 25 per cent. to the amount obtained by any Province under the original vote. This would amount upon the whole project to $6,250,000, or a total of $16,250,000. At the close of the Session on June 4, after four months of difficult leadership, the members of the National Liberal and Conservative Party met the Prime Minister and presented him with a complete dinner set of Crown Derby china and a large cabinet of solid silver tableware. J. E. Armstrong, Hon. W. A. Charlton, Hon. William Smith, and Senator R. H. Pope, paid personal tributes, and Mr. Meighen duly responded. The visit to England and the Imperial Conference followed.

On his return from England in August, Mr. Meighen found political conditions far from comfortable. Bye-elections had not been all that he had hoped for; the Opposition parties were continually urging an Election and denouncing his Government as without a Mandate from the people; the Cabinet had to be re-organized, as promised, and another effort made to obtain French-Canadian representation. In the Rt. Hon. A. L. Sifton, Secretary of State, who died on Jan. 21st, he had lost an able colleague; efforts had been made in Quebec and Hon. G. H. Boivin, the popular Deputy Speaker, was believed to have been

invited to enter the Cabinet; Hon. P. J. Veniot, the Acadian Minister of Public Works, in New Brunswick, alleged that he had been approached in this connection; Mr. Meighen, in the House (May 17) denied any direct action while correspondence, published later, showed that a St. John Conservative politician had been urging the appointment on the Government. During September the re-organization of the Cabinet as a preliminary to the General Elections was under way, and on the 21st the members were sworn in as follows:

Prime Minister and Minister of External Affairs	Rt. Hon. Arthur Meighen, K.C., M.P.
Minister of Railways and Canals	Hon. John Alexander Stewart, M.P.
Minister of Trade and Commerce	Hon. Henry Herbert Stevens, M.P.
Minister of Justice	Hon. Richard Bedford Bennett, K.C., M.P.
Postmaster-General	Hon. Louis de Gonzague Belley, K.C.
Secrtary of State	Hon. Rodolphe Monty, K.C.
Minister of Health, Immigration and Colonization	Hon. John Wesley Edwards, M.D., M.P.
Minister of Soldiers' Re-Establishment	Hon. Robert James Manion, M.C., M.P.
Minister of Customs and Excise	Hon. John Babington Macaulay Baxter, K.C.
Minister of Public Works	Hon. Fleming Blanchard McCurdy, M.P.
Minister of Finance	Hon. Sir Henry Lumley Drayton, K.C., M.P.
President of the Privy Council	Hon. Louis Philippe Normand, M.D.
Minister of Agriculture	Hon. Simon Fraser Tolmie, V.S.
Minister of Labour	Senator Gideon Decker Robertson
Minister of Marine and Fisheries and Naval Affairs	Hon. Charles Colquhoun Ballantyne, M.P.
Minister of the Interior	Senator Sir James Alexander Lougheed
Minister of Militia and Defence	Hon. Hugh Guthrie, K.C., M.P.
Minister without Portfolio	Hon. Edmund Bristol, K.C., M.P.
Minister without Portfolio	Hon. James Robert Wilson, M.P.
Minister without Portfolio	Hon. Edgar Keith Spinney, M.P.
Minister without Portfolio	Hon. Sir Albert Edward Kemp, K.C.M.G., M.P.

A little later Guillaume André Fauteux, K.C., of Montreal, was appointed Solicitor-General. Of these 22 Ministers, Messrs. Stevens, Stewart, Belley, Edwards, Baxter, Monty, Normand, Manion, Bennett, Bristol, Wilson and Fauteux (12 in all) were new to the Government and the four French-Canadians were without seats in Parliament. Mr. Baxter was a former Conservative leader in New Brunswick; Mr. Belley had previously been in the Commons, and four of his sons had served in the War; Mr. Bennett was known throughout Canada as a speaker and lawyer; Mr. Bristol was a Toronto financier and lawyer, and Dr. Edwards a fighting Conservative, who had been in the House for 12 years; Mr. Manion had served in France with distinction; Mr. Stevens was a prominent representative of British Columbia and a keen critic of the Farmers' organizations; Mr. Stewart was a well-known Ontario manufacturer, and Mr. Wilson a Western farmer and miller.

Following this event a two-weeks' speaking tour of Ontario was announced for the Premier, to take place in October, while Senator Robertson stated (Oct. 5) that the unemployment policy of the Government was co-operation with the Provincial Governments in helping to create and provide employment and, where this could not be furnished, aid in providing food and shelter for the men and their dependents until the emergency was past—with disbursements only through responsible municipal authorities; on Nov. 21 a new Coat of Arms for the Dominion of Canada, including Heraldic references to England, Scotland, Ireland and France, as well as Canada, and bearing in Latin the motto "From Sea to Sea," was approved by Royal proclam-

ation in London; an official statement at Ottawa on Nov. 26 indicated the Government's intention to inter the body of an "unknown Canadian Soldier" at the base of the main entrance to the Parliament Buildings, but vigorous protests were made on the ground that the ceremony, and the Unknown Soldier buried in Westminster Abbey, were representative of Canada as well as of Britain and the project was ultimately abandoned; on Nov. 25 an Order-in-Council of the Meighen Cabinet granted $3,000,000 to the Dominion Iron and Steel Co. on account of its claim against the Government. The Government's policy in Imperial and Foreign affairs, as to Railways, Militia and Reconstruction, Finance, and the Navy is dealt with elsewhere in separate sections; so with its platform in the General Elections.

Government Departments, Commissions and Appointments during the Year.

An election year is not usually one of creative activity in Government Departments; when times are hard and depression exists and, as in 1921, reconstruction and economy are the watchwords, this statement applies with multiplied force. There was, however, effort along necessary lines and it was varied in character. On Feb. 3rd Hon. F. B. McCurdy announced a 40 per cent. reduction of the Staff in the Engineering branch of the Department of Public Works in the interests of national economy. For the fiscal year 1921, J. B. Hunter, Deputy-Minister, reported an expenditure of $20,970,-674 of which $7,541,667 went to Harbour and river-works and $8,443,892 to Public buildings; the revenue was $725,129. The National Gallery reported to this Minister a continued accretion of valuable paintings and the purchase during this period of 18 selected paintings with 115 prints, etchings, etc.

On Feb 11 the Department of the Interior made public new regulations governing the disposal of oil and natural gas in the Northwest Territories. These were to supercede all previous regulations and were retroactive in effect. They provided that an applicant could be granted a prospecting permit for 4 square miles instead of 3 square miles as formerly; if oil was discovered the lessee would be allowed to take out a 21-year lease for an area of one square mile, or an area not greater than one-quarter of his prospecting permit—the remaining three-quarters would be a Government reservation; a prospector could not take out more than 5 permits with an aggregate area not exceeding 2,560 acres. The new rules were especially framed to protect the public from wild-catting, fraud and misrepresentation, and leases were to be cancelled or refused in the event of malpractice being proven.

This Department, which was under Mr. Meighen as Minister for most of the fiscal year ending Mch. 31, 1921, had surveyed to date 200,280,209 acres of land in the 3 Western Provinces with 25,649,800 acres available for entry on Jan. 1st, 1921;

during the year there were 2,892 soldier land-grants totalling 462,720 acres with 458,925 acres additional handed to the Soldier Settlement Board; Irrigation surveys in Southern Saskatchewan and Alberta were practically completed, a Drainage division of the Reclamation Branch was organized and in active operation, while a Dominion Hydrometric Survey was organized under the Water Power Branch; prospecting and drilling in the Yukon were encouraged as well as oil operations in the Mackenzie River and other Northern regions; an organization was perfected by W. W. Cory, Deputy-Minister, for the supplying of information on Natural resources and proved of great assistance to those interested in development; a record was made of unoccupied privately-owned lands in every Province to assist in bringing these under cultivation, and the publicity given to the National Parks and improvement of the roads resulted in a large increase in the number of visitors who, during the year, numbered 150,000.

Excellent progress was made in the work of preserving Historic sites and a Dominion-wide historical survey was under way to decide which of these were of national importance with 46 sites selected; new features were introduced for the protection of forests with more efficient fire-fighting service and the introduction of Aeroplane patrols—provided in co-operation with the Air Board; the Forest Products Laboratories at Montreal supplied increasingly useful information, in the utilization of wood and wood products, to manufacturers and builders and the total revenue of the Department, from all sources during the year, was $10,189,596, or an increase of $286,875 over 1919-20. Land Sales by Railway Companies, having Government land grants, and the Hudson's Bay Co., totalled 553,630 acres valued at $10,860,756 during the year, and $224,478,175 since 1883. The Department of Indian Affairs, also under this Minister, reported in 1921 105,953 Indians and 3,296 Esquimaux in Canada. The Indians had 221,827 acres under crop and a farm production vauled at $3,577,119; the value of their real and personal property (chiefly land in Reserves) was $68,502,140 or $682.06 per capita; their total earnings in the year were $10,670,549 or $105.95 per capita.

The Postmaster-General (Senator P. E. Blondin) increased the Postal rates considerably. On and after Aug 1st, 1921, the fee for the special delivery of letters in Canadian cities was raised by 10 cents on each letter, in addition to the ordinary postage charge of 10 cents. On Sept. 11, for operation Oct. 1st, Canadian postal rates were increased from 33⅓ to 100 per cent. The rate of postage on letters from Canada to other places in the Empire was to be three cents per ounce, or fraction thereof, instead of two cents—both exclusive of war tax. The new rate upon a letter weighing one ounce was three cents *plus* one cent war tax. The rate on letters outside the British Empire, United States and Mexico was increased from five to ten cents

an ounce and from three to five for each additional ounce or fraction of it. To the United States and Mexico, the Canadian domestic rate was to apply.

Postcard rates were only increased outside the Empire, United States and Mexico, the new rate being six cents instead of two cents. The rates for printed matter, commercial papers, samples and acknowledgements of receipt were double the old rates. For the fiscal year 1921 the Report of this Department showed 12,252 Post Offices in operation; a Pacific cable traffic of 443,600 paying words transmitted; a net revenue (including war-tax) of $26,331,118 and an expenditure of $24,661,262. Excluding the war-tax of $7,872,962 there was a considerable deficit. The Money Orders issued or paid were 21,177,351 and the amount involved $336,515,517; the Post Office Savings Bank balance on Mch. 31, 1921, was $39,710,367; the postage stamps issued during the year were $28,563,234 in value; the dead letters, circulars, postal cards, etc., of the year returned to the Dead Letter Branch numbered 3,841,810; the number of boxes in Rural mail delivery was 5,709.

The Trade and Commerce Department handled and reported the statistics of a trade totalling $2,429,322,583 during this fiscal year; a new Foreign Tariffs division was operated for the study of Customs tariffs abroad; the Canadian Bureau of Information in New York was transferred from the Department of External Affairs to this Minister; the Dominion Bureau of Statistics in charge of R. H. Coats, B.A., F.S.S., conducted the 6th decennial Census of Canada with 240 Commissioners and 12,000 enumerators; the Weights and Measures Service and the Board of Grain Commissioners were under this Department, and the latter Board reported 42,077,016 bushels of wheat exported from Canada to the United States between Sept. 1st, 1920, and Mch. 31, 1921; the Commissioner of Patents stated applications during the fiscal year as totalling 2,248 with 1,625 granted and 1,778 copyrights issued with 2,640 Trade Marks, 374 Industrial designs and 63 Timber marks. L. D. Wilgress, Trade Commissioner, submitted, and the Department published, an important Report upon the trade of new countries in South-east Europe—Roumania, Hungary, Czecho-Slovakia, Austria, Turkey and Jugo-Slavia.

The Publicity Bureau of this Department had a moving-picture organization which was very complete and effective under direction of R. S. Peck. During 1921 about 100,000 feet of film were turned out and distributed throughout Europe, the United States and South America, as well as the Orient. Up to Apr. 1st of this year the Bureau produced 89 films, 70 of which were devoted to the illustration of Canada's beauty spots, natural resources, agricultural and industrial life, with outstanding historical events in a "Seeing Canada" Series. The remainder of the films were included in the "How it is Done in Canada" Series and dealt mainly with essentially Canadian industries. In

October an arrangement was made with the Selznick Corporation of New York and Australia for the distribution of these pictures in Australia and New Zealand. Toward the close of the year (Oct. 4) Hon. H. H. Stevens, the new Minister, announced his plans as including negotiations for a Preferential tariff arrangement with Australia, and the extension of shipping facilities between Canada and Mexico by means of the Government Merchant Marine. A little later a Branch of the Trade and Commerce Department was established in Vancouver to investigate and assist in the development of foreign trade on the Pacific.

In November a number of new rulings were issued by the Department of Customs and Excise under the Marking Act. The most important was one which stated that: "Goods *bona fide* ordered prior to the first of October, 1921, shall not be subject to the additional duty of 10 per cent. *ad valorem* to be levied on the value for duty purposes, provided that such goods are imported into Canada prior to the 1st of July, 1922. But such goods shall not be released from Customs possession until they have been marked, stamped, branded or labelled with an indication of the country of origin." The Railway Department is largely dealt with elsewhere, but it may be mentioned that during the year it lost, by retirement, the services of J. Lambert Payne, who, for 35 years, had been associated with its statistical and other work.

The Department of Agriculture did its usual measure of important work during the year. This was described by an official publication as including research, investigation, illustration, assistance, prevention, propaganda, and administration. These, in practice, were subdivided into Plant breeding, Chemistry investigation, control of Diseases in Animals and plants, losses from injurious Insects, improved methods of Field husbandry, Live-stock and dairy development, stimulation of flax and tobacco production, the Illustration stations and Exhibits of the Experimental Farm branch, cold storage developments. There was, also, the administration of various Acts of Parliament, such as the Animal Contagious Diseases Act, Meat and Canned Foods Act, Live Stock and Live Stock Products Act, Dairy Industry Act, Cold Storage Warehouse Act, Destructive Insect and Pest Act, Seed Control Act, Agricultural Instruction Act and Inspection and Sale Act. The *Agricultural Gazette* was published by this Department and kept its work well before the public; other publications were numerous and included excellent Bulletins and pamphlets from the Central Experimental Farm at Ottawa. The Minister's Report (Mch. 31, 1921) dealt with 1920 conditions and crops valued at $1,455,244,050 and with Live-stock totalling 20,115,193 in number. It included detailed reports from Dominion Experimental Farms and Stations; Dairy and Cold Storage Branch; Health of Animals and Live Stock Branches; Seed and Entomological Branches; Fruit and Pub-

lications Branches and the International Institute. Under the Agricultural Instruction Act $1,100,000 was allotted to the Provinces in 1920-21 and divided as follows:

Ontario	$336,303.26	British Columbia	$69,199.06
Quebec	271,113.76	Nova Scotia	81,716.69
Manitoba	77,113.11	New Brunswick	64,110.80
Saskatchewan	81,728.48	Prince Edward Island	31,749.22
Alberta	66,965.62	Veterinary Colleges	22,000.00

It may be added that the duty on foodstuffs collected in the year of Mch. 31, 1921, was $20,723,408 and on Agricultural implements $1,917,370; the total on all articles imported was $179,667,683. During the year the Minister of Agriculture (Hon. Dr. Tolmie) arranged with the Banks for certain special consideration to Live-stock owners in the current crisis. He defined this at Ottawa on Aug. 30: "'Any cattle raiser who asks for a loan, and who has security in cattle to offer, will be given advances to procure fodder. The Banks will loan up to 75 per cent. of what the cattle are worth from the Atlantic to the Pacific. Special consideration will be given to the periods of the loans and to renewals, and the Banks will in no case force liquidation until the cattle markets have come to more normal conditions." Early in July, also, the Minister secured a reduction of $10 per head in ocean freight rates on cattle and provision for additional ocean freight space.

On Nov. 2-3, under the auspices of the Department, an important Conference was held to discuss the best means by which to stabilize and render profitable the hog industry. It was known that there was an unlimited and stable market for Canadian bacon of the Wiltshire type in Great Britain and at the same time that hog production in Canada, particularly in the West, had fallen off enormously in the past two years. Hence the Conference, at which the Departments of Agriculture for the Provinces of P. E. Island, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan and Alberta were represented, while the Swine Breeders' Associations of all these Provinces, and of the Dominion, sent their Delegates as well as the Live-stock unions, the various Farmers' Co-operative organizations and branches of the Packing interests. One of the chief results arrived at was an agreement between all concerned that compulsory grading of hogs at stock-yards, abattoirs, and other points was essential to the successful export trade in hogs. A Resolution was passed asking the Federal Department of Agriculture to establish a standard of grades for hogs under the Live Stock and Live Stock Products Act, and to appoint official graders or referees to be available at stock yards, abattoirs and other points; 8 grades in all were decided upon. Another matter was the agreement of Packers to the principle that a minimum premium of 10 per cent. should be paid for hogs suitable for the production of select bacon.

The Department of Mines, under the Minister of the Interior, and the direction of Charles Camsell, Deputy-Minister of

Mines, published a Report of Production in 1920, a Study of Scientific Investigations made during that year, a Report on Gas Producer Trials with Alberta coals and an Analysis of the Preparation, Transportation and Combustion of Powdered Coal. The Hon. J. A. Calder as Minister of Health, reported on Quarantine and Immigration medical services; Food and Drug Laboratories; Opium and Narcotic Drugs; Proprietary or Patent Medicines; Marine Hospitals' Service and Venereal Disease Control. He also dealt with Child Welfare conditions, Housing and the Public Works Health Act. The Housing statement showed that out of $25,000,000 allotted in 1918 by Order-in-Council for Housing loans to the Provinces, $14,545,000 had been appropriated; that the Provinces had advanced to the municipalities $12,547,435 while the latter had asked for $34,522,897. To the Minister of Justice the Penitentiary Report (Mch. 31, 1921) showed 2,150 in custody with an average daily population of 2,058; the net Expenditure of the year was $1,457,981 and during the year 375 prisoners were released on parole from the Penitentiaries and 508 from the prisons and reformatories of the Provinces, making a total of 883. Since 1899 out of 13,512 released, 12,152 had completed their terms under licensed parole.

The Department of State administered the Bankruptcy Act and the Canada Temperance Act; its Companies Branch, under Thomas Mulvey, K.C., as Under Secretary of State, reported 852 new Companies incorporated with a capital of $752,062,683 and supplementary letters patent issued to 229 existing Companies of which 135 increased their capital stock by $79,803,000 and 17 decresaed theirs by $7,698,300; the Naturalization Branch showed 10,507 persons naturalized during the year. Mr. Fielding, the new Minister of Finance, received through his predecessor, Sir H. Drayton, a certified Report from Edwards, Morgan & Co., Chartered Accountants, that all sums accruing from the War Loan flotations since 1914—over $2,375,000,000—had been fully accounted for and that "the accounts respecting the redemption, transfer and exchange of bonds which form part of the abovementioned issues have been verified and found to be correct." The Department of Public Printing and Stationery—P. M. Draper, Director, and Edmund Ryder, Superintendent of Stationery—reported to the Minister of Labour as to the Government's printing account which totalled $2,299,759 in work completed and chargeable to the Departments, with $1,362,018 of Stationery chargeable in the same way; the amount paid out for Government advertising in newspapers during the fiscal year was $183,656.

The action of Government Commissions and Boards included during 1921 the final Report (Jan. 28) of the Canadian Wheat Board of which James Stewart, Winnipeg, was Chairman, and the proceedings and policy of which were so popular with Western wheat growers in the final stage of its operation; the Order of the Board of Railway Commissioners (Feb. 14) rescinding the

Order which prohibited the exportation of coal from Atlantic, St. Lawrence and Gulf ports of Canada except to the United States and Newfoundland; the final statement that the Board of Commerce cost the country $140,412 in expenses together with the decision of the Judicial Committee of the Privy Council on Nov. 11 that its creation was not constitutionally within the powers of the Dominion Government and that it trenched on Provincial rights under the B. N. A. Act; the Interim Report of Judge C. G. Snider of Wentworth, who, as a Royal Commissioner, investigated the destruction, as junk, of 76,926 volumes of Government publications which had been intended for free distribution among the Libraries, etc., of the country and comprised debates of the Commons and Senate, sessional papers, reports and statutes. The Commissioner was inclined to criticize Fred Cook, Chairman of the Editorial Committee of the Government service, and F. C. C. Lynch, another member, though in doing so he appeared to take the evidence of two employees as against that of Mr. Cook. The other members of the Committee were F. C. T. O'Hara and R. Boudreau, who were out of town at the time of the incident. Messrs. Cook and Lynch wrote the Minister of Trade and Commerce on Mch. 16 claiming that no exact instructions had been given to destroy these books, that the matter had been discussed at a conference with the people who wanted the room in which the books were stored but that even the discussion did not go beyond a printed list covering about one-tenth of the 152 tons which were afterwards destroyed.

There was, in June, a Report as to Vital Statistics in Canada by the Dominion Bureau of Statistics, covering all the Provinces, but Quebec—which latter published its own figures. Taken together the total of Births was 247,219, of Marriages 80,472 and Deaths 119,827. Early in the year the Commission on Conservation was abolished with the view, in part, of saving expenses and, in part, because of alleged interference with, or duplication of the work in, other public Departments. As to this latter point Sir James Lougheed, in the Senate on May 13, stated that the Commission had extended its scope and activities until it threatened to usurp the powers and functions of the Government itself: "It invaded the field of agriculture; dipped into external affairs by making representations at Washington; invaded the Department of the Interior by meddling with the administration of natural resources; took up the question of water-powers; extended its scope to the Department of Marine and Fisheries; dipped down under the earth and interfered with mines and minerals and, finally, took a hand in the question of scientific and industrial research." Its maintenance was strongly but unsuccessfully urged in various quarters and the *Canadian Municipal Journal* for March stated that for 12 years 20 of Canada's foremost scholars, scientists and business men had given their services free—with the co-operation of representatives of the

Federal and Provincial Governments—for the purpose of conserving Canada's great natural resources and had splendidly carried out their work. The Toronto *Globe* took a similar position and Toronto *Saturday Night* of June 25 quoted a eulogy by Senator W. C. Edwards and declared that in its 12 years of existence the Commission had done great service and had only cost $1,295,000.

The Civil Service Commission and the salaries of the Civil Service, itself, were much discussed during the year. There was a good deal of strong feeling expressed by a portion of the Service as to the 1920 classification and adjusted salaries; a Board of Hearings composed of Clarence Jamieson, Chairman, J. C. O'Connor, President Civil Service Federation, Major D. L. McKeand, Board of Pension Commissioners, Wm. Kearns, Deputy Auditor-General, and A. St. Laurent, Assistant Deputy of Public Works, had been appointed to deal with these objections; it was apparent from a return presented to Parliament on Mch. 30 that since 1913 the army of Civil Servants had increased from 30,988 to 46,605 and that, of this increase, 9,143 only were due to the needs of new Departments. In the House, on Mch. 23, the Prime Minister announced a decrease of 25 per cent., or over $3,000,000, in the bonuses to be paid to Civil servants and stated that, originally, this bonus had been given to offset an abnormal increase in living costs. In the past year it totalled $12,500,000 and brought up the cost of the Civil Service to, approximately, $66,000,000. In view of increases in wages to Civil servants caused by the re-classification; in view of the decrease in the cost of living and of the further need for economy in the conduct of public business; the Government had decided on this reduction.

The Executive of the Civil Service Federation protested vigorously against the current Bill of Hon. E. K. Spinney which amended the Civil Service Act and the object of which was claimed by the Government to be a modification of the existing Act and not inconsistent with its fundamental principle of taking the Civil Service out of politics; it was claimed to create conditions more conducive to efficient administration and the prompt selection of those who were to perform the public business. The subject was debated in the Commons on May 2nd and Hon. A. K. Maclean moved rejection of the Bill; the motion was lost by 72 to 57, after a speech from Hon. Mackenzie King, denouncing the measure as endangering the principle of a non-partisan Service. It finally went to a Special Committe and was greatly modified in terms while, on May 5, the Civil Service Federation had issued a statement reviewing the proposed Act and declaring that it would result in:

1. The substitution of political influence instead of merit in the most important appointments to the public service.
2. The substitution of political influence instead of merit in promotions.

3. The repeal of the present preference to returned veterans in the most important appointments.
4. The nullification of the work of classification and re-organization.
5. The introduction of political partisanship, political influence, and inefficiency in the the Public Service of Canada.

Incidents of the ensuing controversy included a keen attack (May 16) by Dr. C. A. Hodgetts, C.M.G., upon the Civil Service Commission, following his transfer from the Conservation Commission to the post of Director of Sanitary Statistics, in the Department of Health. He declared that "the Civil Service Commission, which has not on its whole *personnel* any professional expert competent to pass intelligently on questions relating to Public Health, classified the position which I have temporarily held at a figure below that which I have been given." He therefore offered his resignation. At a meeting in Toronto of the Federation of Postal Employees (May 8) a strong protest was made against the Bonus reduction and a Resolution passed favouring the establishment of Civil Service Councils along the lines of those established in England on the Whitley principle.

The Civil Service Association returned to the charge on July 18 with a published letter to Sir George Foster which stated that the majority of the Inside Service group of employees were classified as clerks, a position corresponding to the old class 3A, which had a maximum of $1,000 13 years ago, $1,300 in 1918 and only $1,260 in 1921 under the re-classification; the average Civil Servant was said to have had no increase in 13 years—apart from the Bonus. On Aug. 5 Judge Constantineau, in the County Court at Ottawa, decided that Civil Servants were not exempt from the municipal Income tax; Prof. L. W. Gill, Director of Technical Education, attached to the Department of Labour, announced (Aug. 15) that he had resigned his post to accept that of Head of the Department of Electrical Engineering in the University of British Columbia—the reason given being insufficiency of salary; early in November the Government announced that the Griffenhagen experts who had been re-organizing the Post Office, Customs and Inland Revenue Departments, with an estimated saving of $3,350,000 in annual expenses and a probable increase in efficiency, had retired from their work on Oct. 21—one which had aroused much dissatisfaction amongst Departmental employees.

On Nov. 2nd the second annual Convention of the Professional Institute of the Civil Service of Canada concluded its sessions and elected Dr. J. M. Swaine as President. Clarence Jamieson of the Civil Service Commission described to the members the classification policy of his Board with, as the underlying principle, the establishment of a proper relationship between the compensation of kindred classes. He stated that the Board of Hearing had 582 appeals against the classification, and in 285 cases recommendation for an increase in the compensation of the classes was made to the Commission. Increases had been allowed on 43 per cent. of all the Ottawa appeals. Comparison

of the salaries three years before with those of the present time showed that the great majority of employees in the Service had benefitted materially from re-classification. Meantime, the Annual Report of the Commission had issued in June, for the year ending Dec. 31, 1920, and showed that 29,084 returned soldiers had been given appointments up to date, and of these 8,448 were permanent. Following the law passed in 1920 providing for the retirement of aged employees, an investigation indicated that 1,600 men and women in the Service were 65 years old, or older. Of these 650 were reported as not rendering value for the compensation given them and, up to the end of 1920, 98 of these had been retired and 550 more were slated for removal.

Dominion Government Appointments of the Year.

Deputy of H. E. the Governor-General	Hon. John Idington	Ottawa
Lieut.-Governor of Saskatchewan	Hon. Henry William Newlands	Regina
Lieut.-Governor of Manitoba	Sir James Albert Manning Aikins, Knt.	Winnipeg
Lieut.-Governor of British Columbia	Walter C. Nichol	Vancouver
Lieut.-Governor of Ontario	Lieut.-Col. Henry Cockshutt	Brantford
Administrator of the Government of Ontario	Hon. Sir William Mulock, K.C.M.G.	Toronto
Administrator of the Government of British Columbia	Hon. J. A. Macdonald	Victoria
The King's Privy Council for Canada	William Smith, M.P.	Columbus
The King's Privy Council for Canada	William Andrew Charlton, M.P.	Toronto
Deputy-Minister of Immigration and Colonization	W. J. Black	Ottawa
Inspector of Federal Taxation for New Brunswick	Norman P. McLeod	St. John
King's Printer for Canada	Frederick A. Acland	Ottawa
Superintendent of Indian Education for Canada	Russell T. Ferrier, B.A.	Brandon
Member of the Board of Railway Commissioners	Calvin Lawrence	Ottawa
Postmaster at Brantford	J. C. Montgomery	Brantford
Postmaster at Windsor	Joseph P. Casgrain	Windsor
Deputy-Minister of Marine	Alex. Johnston	Ottawa

1921 Appointments to the Senate of Canada.

Senator of Canada	Archibald Blake McCoig, M.P.	Chatham
Senator of Canada	John Anthony McDonald, M.P.	Shediac
Senator of Canada	Brig.-Gen. William Antrobus Griesbach, C.B., C.M.G., D.S.O., M.P.	Edmonton
Senator of Canada	Rt. Hon. Sir George Eulas Foster, G.C.M.G., M.P.	Ottawa
Senator of Canada	Hon. John Dowsley Reid, M.P.	Ottawa
Senator of Canada	Hon. James Alexander Calder, M.P.	Regina
Senator of Canada	Hon. Thomas Wilson Crothers, M.P.	Ottawa
Senator of Canada	Robert Francis Green, M.P.	Victoria
Senator of Canada	Brig.-Gen. Archibald Hayes Macdonell, C.M.G., D.S.O.	Toronto
Senator of Canada	The Hon. Sir Albert Edward Kemp, K.C.M.G., M.P.	Toronto
Senator of Canada	Lieut.-Col. John Stanfield, M.P.	Truro

Judicial Appointments of the Year.

Judge of the Court of King's Bench	Saskatchewan	Donald Maclean, K.C., M.L.A.	Saskatoon
Chief Justice, Trial Division of Supreme Court	Alberta	Hon. Horace Harvey	Edmonton
Justice of Trial Division of Supreme Court	Alberta	Hon. William Leigh Walsh	Edmonton
Justice of Trial Division of Supreme Court	Alberta	Hon. Maitland Stewart McCarthy	Edmonton
Justice of Trial Division of Supreme Court	Alberta	Hon. William Charles Simmons	Edmonton
Justice of Trial Division of Supreme Court	Alberta	Hon. William Carlos Ives	Edmonton
Justice of Trial Division of Supreme Court	Alberta	Thomas M. Mitchell Tweedie, K.C., M.P.	Calgary
Judge of the District Court of Macleod	Alberta	Angus M. MacDonald	Lacombe
Judge of the County Court of Queen's, Sunbury and York	New Brunswick	Arthur R. Slipp, K.C.	Fredericton
Judge of the Court of Appeal	Saskatchewan	Alphonse Turgeon, K.C., M.L.A.	Regina
Puisne Judge of the Court of King's Bench	Quebec	Louis Alpbonse Joseph Bernier	Quebec

Puisne Judge of the Court of King's Bench	Quebec	Adjutor Rivard, K.C.	Quebec
Puisne Judge of the Superior Court	Quebec	Hon. Albert Sevigny, K.C.	Quebec
Puisne Judge of the Superior Court	Quebec	Pierre d'Auteuil, K.C.	Quebec
Chief Justice of the Supreme Court and President of Appellate Division	Alberta	Hon. David Lynch Scott	Edmonton
Justice of the Supreme Court and Justice of Appeal	Alberta	Hon. Charles Allen Stewart	Edmonton
Judge of the Supreme Court and Justice of Appeal	Alberta	Hon. Nicholas Du Bois Dominic Beck	Edmonton
Judge of the Supreme Court and Justice of Appeal	Alberta	Hon. James Duncan Hyndman	Edmonton
Judge of the Supreme Court and Justice of Appeal	Alberta	Albert Henry Clarke, K.C.	Calgary
Judge of the Supreme Court	Ontario	Herbert MacDonald Mowat, M.P.	Toronto
Junior Judge of the County of York	Ontario	John Tytler, K.C.	Toronto
Judge of the Court of King's Bench	Manitoba	Andrew Knox Dysart	Winnipeg
Judge of the Court of Appeal	Manitoba	Hon. Thomas Llewellyn Metcalfe	Winnipeg
Judge of the Court of King's Bench	Saskatchewan	Philip Edward Mackenzie, K.C.	Regina
Judge of the Court of Appeal	Saskatchewan	Hon. James McKay	Regina
Judge of the District Court of Melfort	Saskatchewan	Henry Colin Pope	Moose Jaw
Judge of the Supreme Court	Nova Scotia	T. Sherman Rogers, K.C.	Halifax
Judge of the Lunenburg District Court	Nova Scotia	J. Willis Margeson	Halifax
Vice-Chancellor, Court of Chancery and Assistant Judge Supreme Court	P. E. Island	Hon. Aubin Edmond Arsenault	Charlottetown

The Liberal Party in 1921: Hon. Mackenzie King as Leader.

Throughout the year Mr. Mackenzie King was hopeful, aggressive, active; he fought the bye-elections vigorously and, in Parliament and out, urged dissolution, described the Government as non-representative of the people and usurpers of authority, and demanded a general election. The issue of the year, as he saw it, was not the fiscal one but the question of maintaining a Government in office against the popular will. His Tariff policy, he declared at Peterborough on Jan. 23, was summed up in the words "consult the people," and upon this point he was very explicit. During this bye-election in West Peterborough Mr. King spoke several times and, at Ennismore (Feb. 2nd), he continued his plea of 1920 for inter-party unity: "The Liberals, Farmers and Labour are very much the same in their aims. The three platforms all have certain things in common. All have reduction in the cost of living. All ask the reduction of tariff on the necessaries of life. All want the implements of production in the basic industries as cheap as possible, and the duties taken off. They all want economy and reduction in the burdening taxes. They are the same on the great question of Imperialism." At Brome, Quebec, (July 1st) he declared that the people saw themselves deprived of their rights to a representative Parliament and a responsible Ministry: "They see the functions of government carried on by a usurper who exercises his authority, not in virtue of any power derived from the people, but solely as the outcome of arbitrary enactments and political might."

Meanwhile, in Quebec City on July 8, Ernest Lapointe, the Quebec Liberal leader, gave three points as bases for Liberal party achievement: Freedom of individual action, confidence as

between employer and employee, and a policy of National unity. As to the first, he said that every great thing accomplished in the world had been obtained by private initiative—"The Government had better leave the business men alone." He also urged manufacturers to reach out into foreign markets and gave instances where United States firms had sold Canadian-made goods and made a profit out of them. With Mr. King at Bedford on July 2nd was another Quebec leader—Hon. R. Lemieux—who (according to the Montreal *Star* report) expressed dislike of Railway Nationalization policies and urged private ownership: "A railway administered by a Beatty, a Shaughnessy or a Van Horne, where there is private initiative, will produce a surplus and bring prosperity wherever its rails are laid."

In the summer Mr. King opened an Ontario tour at Aurora (July 27) and, addressing a Liberal mass-meeting there, with Howard Cane of Newmarket in the chair, he laid stress on the constitutional issue and the absence of any popular mandate for Government policy at home or abroad—Imperial, national or in legislation. He declared his intention to remain the North York candidate in the Elections, when they came, and described the Meighen Government policy as one of "reaction, not reconstruction": "The situation to-day is that the political, industrial and, to a considerable extent, also, the social life of Canada lies enthralled under the subtle and malignant influences of combined autocratic and plutocratic control, which seeks only the aggrandizement of a few individuals at the expense of the State, and is regardless of the well-being of the people at large." He was at Brampton on July 28 and criticized the enormous Railway expenditures of the Government.

He pointed out that the amount voted this year by Parliament reached a total of $165,000,000, which was larger by $25,000,000 than the amount required for interest on the colossal Public Debt; larger by $35,000,000 than the amount required in interest for the obligations arising out of the War; larger by $43,00,000 than the total amount expended on all accounts in the last year of the Liberal Administration; practically double the amount spent on ordinary current account to carry on the business of all the Government Departments in 1911. At Tilsonburg on July 29 he declared that a Protective tariff was bound to be in favour of the special interests, whereas a Revenue tariff would be a tariff for the people.

At Hamilton, on the 30th, he dealt at length with the Railway problem as an outgrowth of the combination of political and industrial interests which had been controlling Canadian affairs for the past few years. There were, roughly, 20,000 miles of road controlled and operated by the Government, and the greater portion had been taken over since 1911. The transfer of this immense industry from private to public ownership had taken place without consultation of the people by the Government—though the people had to foot the bills in connection with operation. So with the Government Merchant Marine project. "The Rail-

way situation, as I see it to-day," continued Mr. King, "is not a question of public ownership versus private ownership. It is a question of public versus private interest, as regards management. I hold that the transfer of the railways to Government ownership was a move to ultimately re-transfer the system to a small group of friends and associates of the Government now in power."

The Toronto *Globe* at this juncture published several editorials strongly urging the Liberal party to stand by the National Railways as an institution and to make the best of a bad situation. On Aug. 3rd it declared that: "To go back to private ownership would be a surrender and a confession of weakness which we trust Liberals and Progressives will never make. The deficits on the Government railways are due in the main, not to public ownership, but to private ownership, which had failed in spite of continued doles and aids from the public Treasury." Meanwhile, also, Liberal speakers in Quebec were emphasizing the Railway burdens which the country was assuming, and much of the Financial press was doing the same.

In this period Mr. King made many more speeches than those indicated; he had shown skill and energy in attack and a considerable quality of destructive criticism; he made the most of an already difficult Government position. On Nov. 6, upon the verge of the Elections, part of the will of the late Lady Laurier was made public by Hon. L. P. Brodeur, one of the Executors. Under its terms the home of the late Liberal Prime Minister, at Ottawa, was given to Mr. King as Leader of the Party, for an official residence and, with it, the historic gifts received from time to time by the late Sir Wilfrid Laurier. In this connection, also, progress was being made in respect to the proposed Liberal monument to the late Leader. A Committee of prominent Liberals of which the Hon. Sydney A. Fisher was Chairman, had been appointed in October, 1919, to organize and collect subscriptions for the erection of a monument at the grave of the late statesman. The subscription list opened in February, 1920, was confined to sums of not less than 5 cents and not over $5.00 and was intended to be a popular subscription. No general canvass was made but the subscriptions soon totalled $35,000 and designs for the Memorial were invited. Fifty-seven were received and out of these, eventually, that of Messrs. Coté and Laliberté of Montreal was unanimously accepted. During 1921 the Monument was under construction.

The Militia Department and Military Conditions of 1921.

The Hon. Hugh Guthrie, K.C., as Minister of Militia and Defence in the Borden and Meighen Cabinets, had not an altogether easy time. So far as the War was concerned, his path was fairly clear; after the War the old-time divisions of thought as to the Militia revived; it became, from 1919 onward, increasingly difficult to get his Estimates through. Meanwhile, the Militia had to be re-organized from top to

bottom, much was being done in a slow and gradual process, the annual training-camps were maintained, the Cadet Corps were kept up to a good standard, popular response in the practice of rifle-shooting was not lacking. During 1921 recruiting for the Canadian Army Medical Corps was commenced and carried on and an effort was made to re-organize the Canadian Field Artillery.

The Minister's Report for the year of Mch. 31, 1921, stated that the constitution of the Militia Council had been changed as a result of the retirement of General Currie and did not now include the Inspector-General—Sir Henry E. Burstall, K.C.B., C.M.G.; that the work of the Committee appointed to consider the best means of absorbing the C. E. F. units in the Canadian Militia had been most successful; that the Defence Committee, composed of the Director of the Naval Service, the Chief of the General Staff, the Inspector-General of the Canadian Air Force, and the Commissioner, R. C. Mounted Police, and originally established to co-ordinate efforts, to obtain a common policy and, especially, to ensure co-operation of Sea, Land and Air Forces in the event of war or other emergency, had held frequent meetings with valuable results.

During 1920 the training of Permanent Militia units had been carried out at Petawawa, Sarcee, Halifax, Rodd Hill, B.C., and Valcartier but the Non-Permanent Militia had not been sufficiently advanced in its re-organization to go beyond local Headquarters training; on Mch. 31, 1921, there were in existence 87 military Rifle associations with a membership of 15,295 and 225 civilian Rifle associations with a membership of 11,158. In view of the limited funds available and the scarcity of qualified instructors, Permanent Schools of Instruction were not reopened on a pre-war basis during 1920; to meet the growing demand, however, Permanent Schools had conducted courses early in 1921 at Winnipeg, Calgary and Halifax—with special schools established at Wingham, Ont., for Cavalry, and at St. John, N.B., for Infantry; in addition to this work courses were conducted at 45 Provisional Schools for the various arms. As to Cadet Services the Minister reported that the amount appropriated by Parliament was increased from $100,000 to $390,000, or only $2,500 less than the amount authorized in 1914-15 when 50,064 Cadets were trained. The result was that during the school-year ending June, 1920, 74,991 Cadets were trained, as against 60,788 in the previous school-year. The number enrolled and training on Mch. 31, 1921, had further increased to 81,493, organized into 713 Cadet corps comprising 1,627 companies. The figures by Provinces were as follows:

Province	Year ending June 30, 1920	Year ending Mch. 31, 1921		Year ending June 30, 1920	Year ending Mch. 31 1921
Alberta	5,723	5,179	Nova Scotia and P.E. Island..	2,981	3,645
British Columbia	4,442	4,350	Ontario	24,183	26,217
Manitoba	6,880	9,255	Quebec	24,634	26,637
New Brunswick	1,553	1,210	Saskatchewan	4,595	5,000
Total				74,991	81,493

On Mch. 31, 1921, the authorized establishment of the re-organized Permanent Force was 6,951, the actual strength 4,125. By this time Regiments of Cavalry and Mounted Rifles had been organized on a three-squadron basis, the Canadian Engineers had re-organized to a considerable extent, the Corps of Guides had been re-formed with Cyclist companies, many Infantry battalions organized on a 4-company basis with an establishment of 31 officers and 540 other ranks, the C.A.M.C., the Canadian Army Veterinary Corps and the Canadian Postal Corps had been re-organized, and the Ordnance Corps increased with a view to one Detachment for each Military District. During this fiscal year 4,689 appointments of officers were made in the Active Militia and the following Units re-organized with an establishment of gazetted officers:

Cavalry	22	Regiments.
Artillery	47	Batteries with Brigade Staffs.
Artillery	5	Companies Garrison Artillery.
Engineers	6	Field Companies.
Canadian Corps of Signalers	8	Signal Companies.
	2	Signal Troops.
Corps of Guides	1	Cyclist Company.
Canadian Officers Training Corps	8	Contingents.
Infantry	84	Regiments.
Canadian Army Service Corps	13	Companies.
Canadian Army Medical Corps	32	Medical Units.
Canadian Postal Corps	11	Detachments.

On Apr. 1st, 1920, there were still in operation 11 Military Hospitals, with a bed capacity of 2,494, employing a *personnel* of 122 officers, 178 nursing sisters and 767 other ranks. By the end of March, 1921, all hospitals had been closed, with the exception of the Manitoba Military Hospital, Winnipeg, and one transferred to the Department of Soldiers' Civil Re-Establishment. Following this, Garrison Station Hospitals were opened for the treatment of Permanent Force troops in Halifax, Quebec, St. John's, Que., and Victoria; at Montreal, Kingston, Toronto, London and Calgary, however, owing to the reduced establishment of the Medical Corps, it was found impossible to do more than establish Detention Hospitals where patients were kept under observation for a short period. During the year a mass of military stores were received from Great Britain as a result of demobilization and they included 76 field guns, 2,029 machine guns, 49,000 rifles with bayonets, 1,250 cavalry swords and 5,000 revolvers with 12,000 rounds of ammunition. The Militia expenditure of 1920-21 was $10,058,625 compared with $4,634,516 in 1919-20 and $10,998,162 in 1913-14. The War expenditure of the year was $16,229,764 as against $323,360,987 in the preceding fiscal year. Maj.-Gen. Sir A. C. Macdonell, K.C.M.G., D.S.O., Commandant of the Royal Military College, Kingston, reported 102 candidates for entrance with 61 qualified; progress, he stated, was being made with the Sir Arthur Currie Assembly Hall of the College; subscriptions were coming in for the Memorial Arch in honour

of ex-Cadets or graduates falling in Imperial wars. General Currie became Chairman of the Board of Visitors and the graduates in 1921 numbered 56.

The Report to this Minister of Colonel A. Bowen Perry, C.M.G., Commandant of the Royal Canadian Mounted Police, described the strength of that Force as 70 officers, 1,610 non-commissioned officers and constables and 795 horses—a slight increase on Sept. 30, 1921, over the previous year. The bulk of the Force was in the West with 162 in Manitoba, 329 in Saskatchewan, 266 in Alberta, 265 in British Columbia and 81 in the Yukon and North-West Territories; Ontario had 440 and Quebec 26. Colonel Bowen stated that "along the coast of the Arctic Ocean and in Victoria Land a disturbingly large number of crimes of violence have had to be dealt with, and the prevalence of infanticide raises a problem with which humanity demands that the Government of Canada should deal." He reported the total of all investigations undertaken by the Force during the fiscal year of Sept. 30, 1921, as 12,595 and gave a list of 40 important Federal statutes which the Police had to enforce besides Provincial regulations and the Criminal Code; assistance was given to the Provinces in a sympathetic strike at Thorold, Ont., a Street Railway strike at St. John, N.B., a motor-bandit situation in Nova Scotia, and certain expected disorders in Vancouver. The Estimates for the Mounted Police as submitted to Parliament on Mch, 8 totalled $3,526,570 compared with $4,674,066 in 1919-20.

The tendency in Parliament at this time was to restrict Militia or military expenditures; peace was the dominant note of popular thought. Military leaders, however, were not disposed to let this natural feeling run to extremes and Lieut.-General Sir H. E. Burstall, as Inspector-General, made a tour of the country speaking at many Canadian Clubs and everywhere appealing for national support to the Militia and describing the need of a well-drilled and adequate Defence force. At St. John on Feb. 9 he claimed that the young man who joined the Militia was improved mentally and physically and, as the military units increased in efficiency so the homes and country at large increased in efficiency. Discipline and efficiency made the trained man a good citizen—mentally, morally and physically —and also prepared the country for war in case of need. He believed there were real dangers within the country and indicated Bolshevism and recent incidents at Winnipeg and Toronto. The General spoke in Winnipeg on Mch. 10, and, at Regina on the 14th, declared that "preparedness is the only real defence", and described the Militia as a peace-time national organization. At Victoria (Mch. 29) he declared that apathy was passing away and a general feeling was becoming apparent that the country needed a force as strong as in the days prior to the War but not quite of the same sort. Many other places were visited and the Toronto Highlanders were told on Nov. 17 that a well-trained Militia in Canada was essential.

Others took the same line. General Macdonell at Kingston (Feb. 24) denounced those who had, before the War, claimed that a man could not be a Christian and a soldier; Maj.-Gen. J. H. McBrien, C.B., C.M.G., D.S.O., Chief of the General Staff, declared at Ottawa on Feb. 27 that the best preventatives of war were (1) an effective League of Nations; (2) the maintenance of the British Empire League of Nations; (3) an efficient Citizen army. At Toronto on Mch. 14 General McBrien stated that " war can be insured against—the premium being paid either in services or taxes." He contrasted Canada's $2.50 per capita preparedness expenditure with that of the United Kingdom, which was $25. The expenditure of the United States on war preparedness he quoted at $15 and that of Australia at $7.50 per capita. In Parliament on May 12 the Minister of Militia (Mr. Guthrie) presented his Estimates with the preliminary remark that there was a "vast amount of mis-information" on the subject. He first stated that: "The pay of our men in the Militia has advanced from 50 and 60 cents, as it was in pre-war days, to $1.25, the minimum of to-day. The pay of our Permanent Force has advanced from 80 and 90 cents, in pre-war days, to $1.70, the minimum of to-day."

This meant, he said, that the vote asked from Parliament to carry on the Militia of Canada ($11,800,000) would represent, in pre-war days, a vote of $5,900,000. Practically, the Militia was back to the actual basis of cost in *1905*. The Minister's speech was an elaborate defence of the Militia and the Government expenditures with varied comparisons as to other countries; he denounced those who would depend upon the returned soldier in case of emergency rather than spend money upon the Militia and declared that the veterans had done their bit; he stood for the National duty, the duty of maintaining "a sufficient Military and Naval defensive force to preserve law and order within our own boundaries, to preserve the life and property and homes of our people, and to keep the shores of this beloved country inviolate". The exact expenditure for Defence per head was given as $1.69 in Canada, $6.13 in Australia, $3.80 in New Zealand, $5.55 in South Africa, $23.35 in the United Kingdom, $13.13 in the United States, $10.10 in Denmark, $14.03 in Sweden. Speaking in Toronto on May 29, Mr. Guthrie stated that Canada ranked last among the civilized nations in military expenditure both per capita and in proportion to the country's wealth.

The subject was discussed at a Regina meeting of the United Service Institute (June 22) when Maj.-Gen. E. C. Ashton, Quartermaster-General, observed that: "Canada cannot stick out her chest and declare that she is a nation and, at the same time, declare that she will not contribue a dollar toward her obligations." Lieut.-Governor H. W. Newlands expressed regret that the capital of Saskatchewan should find difficulty in raising the troops which were being recruited there and stated that when the Duke of Devonshire was there "they could not even raise

a Guard of Honour". Sir Fred. Haultain, Chief Justice, urged a system of compulsory training and Maj.-Gen. J. F. L. Embury declared that the pre-war Militia training—inefficient as it had been—was the foundation of the reputation which the Canadians had made during the years of war. But economy was the order of the day and, on July 19, it was announced that the Permanent Force would be reduced by 10 per cent., or from a maximum of 4,000 officers and men to 3,600.

At this time a new Manual of Field Service Regulations was issued and, speaking on its nature and terms at Calgary (Aug. 12) Brig.-Gen. H. F. McDonald declared that: "We must leave no stone unturned to perfect devices of destruction which will always insure our man-power having the ascendency". Hence, he argued, the future soldier and his Manuals should lay stress upon the bandolier and the machine gun, the poison gas and the grenade, the mortar and cannon, as more formidable than bayonet and lance. At Montreal on Nov. 11 Maj.-Gen. J. H. McBrien again urged preparedness: "There are pacifists who advocate disarmament irrespective of world conditions. They really advocate unpreparedness. The surest method of securing peace is to adopt a strong and active defensive policy against war. This policy consists of many wise Treaties, the support of the League of Nations, the support of that inner league of nations, the British Empire, the raising of the physique and *morale* of our population, the spreading of knowledge of war, the organization of the nation, the formation and development of Patriotic societies." He stated that the Government had "gone beyond the limit" in its Defence economies: "A population of 9 millions cannot defend 3½ million square miles of country against either a first or second class Power, and we are still dependent on the Motherland."

The other side of the subject was put to the Commons on Apr. 19 when A. R. McMaster, K.C., of Brome opposed the vote of $1,500,000 for annual drill and declared that the history of the last few years had taught humanity that military preparedness did not constitute any real defence of mankind: "Surely something has been learned during the last five years, surely we in Canada can lead the way in the reduction of military expenditure, surely this annual drill can be postponed for another year." S. W. Jacobs, K.C., of Montreal, proposed a reduction in the vote of $450,000 to Cadet services. O. R. Gould of Assiniboia (Progressive) objected to Military training in schools and Militarism in general: "Last year I protested against the continuance of this military idea, and I repeat that protest on this occasion. I deplore the fact that there are men in this country who see fit to prolong an extensive military establishment." Levi Thomson of Qu'Appelle, claimed that the vast majority of the young men who went to the War, when men were most needed, had no military training. He did not think the Minister had cut down his expenditures as he should have done.

Major C. G. Power, M.C., Quebec, declared that :"If we are purposing this large expenditure for the purpose of developing a military spirit—and that seems to be the only reason so far given—then it is my view that we should cut out the Military expenditure altogether." He objected, on another vote, to paying for Highland uniforms as an unnecessary expense. On Apr. 29 the Militia estimates were, again, up in the House and Major Power moved an amendment reducing the expenditure of $6,255,000 on the Permanent Force by $2,000,000 but it was rejected on division. The Rev. C. W. Wright, B.A., in Toronto on Empire Day, urged this doctrine: "Let's not train our boys to be soldiers. Let home, school and church unite positively to implant ideals that will make Militarism impossible in coming generations. I want boys to be prepared for citizenship based on loyalty, purity and courage, as represented in the flag, and, then, as true modern Britishers, they will fight only if they must." There were many other presentations of this ideal and the Saskatchewan Methodist Conference, at Regina on June 13, denounced the current system of Cadet training in the schools of that Province, and the opinion was expressed by a Committee on Religious Education that military training ought not to be given to boys but something purely physical without relationship to drill in any form.

Meantime, the Cadet Corps had been receiving both political and popular support. Training camps during June were held at Sylvan Lake, near Calgary, and at Sydney, B.C., where the boys numbered 1,000, strong, with emphasis laid on self-control and discipline. In July, Niagara-on-the-Lake saw a camp of 4,200, running from 12 to 18 years of age, with the Toronto boys conspicuous in their red tunics, and Maj.-Gen. V. A. S. Williams in command; at Sussex, N.B., 349 boys gathered and, as elsewhere, camp routine and drill were followed by boxing, baseball and athletic sports; at Pointe Aux Trembles, near Montreal, there were 1,400 in camp with Highland Cadets picturesque in kilts and sporrans; at Fort Qu'Appelle the Saskatchewan boys had a great camp with, nearby, a squadron of the Light Horse and a visit from the Lieut.-Governor to inspect the results of training and exercise; Winnipeg Cadets had a camp at Ness, near Gimli, on the shores of Lake Winnipeg, with 3,000 present and more time devoted to sports than to drill. Indian boys made excellent Cadets and they had one notable field-day at Brochet, near Calgary; many of the Cadets took to shooting and became experts with the Virden, Man., Collegiate Institute winning the Cadet Gallery trophy at Ottawa on July 6, and an Ottawa Cadet, W. D. George, winning (Oct. 21) the individual championship of the Ontario Cadets' Rifle Association.

Rifle shooting was encouraged by the Department and the Militia leaders and it was not an unpopular pursuit. The Dominion Rifle Association met at Ottawa on Mch. 1st and was addressed by H.E. the Duke of Devonshire, Hon. Hugh Guthrie

and Maj.-Gen. Sir Sam Hughes; Maj.-Gen. E. W. Wilson, C.M.G., of Montreal, was re-elected President. The Canadian Bisley Team was completed in May with Lieut.-Col. C. W. Peck, V.C., D.S.O., M.P., in command and such shots as W. A. Hawkins, C. R. Crowe, George Mortimer and F. Richardson in its ranks. At the Bisley meet on July 7-21 the Canadian team used the Lee-Enfield instead of the Ross Rifle; they failed in the King's Prize, the Kolapore and McKinnon cups but won some lesser prizes. Some active organizations in Canada were the B.C. Rifle Association with Brig.-Gen. J. Duff Stuart as President, that of Nova Scotia with Lieut.-Col. the Hon. John Stanfield as President and that of Ontario with Lieut.-Col. A. E. Gooderham, elected in succession to Sir Edmund Osler. Some other important military bodies were the Canadian Cavalry Association with Brig.-Gen. W. R. Paterson, D.S.O., Winnipeg, as the 1921 President; the Canadian Artillery Association with Lieut.-Col. J. J. Creelman, D.S.O., as President; the Canadian Military Institute, Toronto, with Colonel William Hendrie, Hamilton, as President.

An incident of the year was the appointment on June 30 of G. T. Clarkson, Chartered Accountant of Toronto, as a Dominion Commissioner to investigate into and report upon "any and all reported irregularities and frauds of any kind whatsoever in connection with the payment at the par of exchange of sterling drafts, official cheques, letter and cable transfers, British money orders and British currency to members of the Canadian Expeditionary Force in respect of, and representing, moneys received by them for pay and allowances and also in respect of pensions and also as to payments made to others than returned soldiers and pensioners." The Enquiry lasted during the rest of the year and was conducted at Ottawa, Toronto, Hamilton, Winnipeg, Vancouver and other centres. J. M. Godfrey, K.C., was the Government Counsel and the Militia Department received, in certain details, quite a searching investigation.

On Oct. 31 Sir John Douglas Hazen, Chief Justice of New Brunswick, was appointed a Commissioner to investigate into and report upon the claims (1) of persons residing or carrying on business in Canada who had been subjected to loss and pecuniary damages arising from the destruction of life and property through the illegal warfare of the enemy during the War, and (2) for damages to which persons residing or carrying on business in Canada had been subjected for breaches of contracts, owing to the operation of the Statutory List of persons in neutral countries with whom such contracts were declared illegal, and (3) to determine whether they were within the categories of Reparations under the Treaty of Versailles. The enquiry was not concluded at the close of the year. The chief Military appointments of the year are given below as (1) Permanent Force and Militia and (2) Officers placed in Command of reorganized Regiments:

Appointments to Permanent Force, Staff and Militia.

To be Major-General.....Brigadier-General H. C. Thacker, C.B., C.M.G., D.S.O.
To be Major-General.....Brigadier-General H. A. Panet, C.B., C.M.G., D.S.O.
Director-General of Medical Services.....Colonel J. W. Bridges, C.B.E.
Director of Military Operations and Intelligence.....Colonel J. Sutherland Brown, C.M.G., D.S.O.
Director of Organization and Personal Services.....Colonel W. W. P. Gibsone, C.M.G., D.S.O., O.B.E.
Superintendent, Dominion Arsenal, Quebec.Lieut.-Col. Count de Bury and de Bocarme
General Staff Officer, M.D. No. 3.....Lieut.-Col. F. O. Hodgins, D.S.O.
General Staff Officer, M.D. No. 5.....Lieut.-Col. J. M. Prower, D.S.O.
Inspector of Cadet Services M.D. No. 12....Lieut.-Col. L. P. O. Tudor, D.S.O.

To Command:

1st Mounted Brigade.....Lieut.-Col. S. F. Smith
2nd Mounted Brigade.....Lieut.-Col. J. R. Morris
4th Mounted Brigade.....Lieut.-Col. B. B. Morrill
5th Mounted Brigade.....Brig.-General W. A. Griesbach, C.B., C.M.G., D.S.O.
6th Mounted Brigade.....Brig.-General R. W. Paterson, C.M.G., D.S.O.
7th Mounted Brigade.....Colonel N. S. Edgar
1st P.E.I. Heavy Artillery Brigade.....Lieut.-Col. D. A. MacKinnon, D.S.O.
3rd Brigade Canadian Field Artillery.....Lieut.-Col. R. F. Massie, D.S.O.
6th Brigade, Canadian Field Artillery.....Lieut.-Col. J. J. Penhale, D.S.O.
8th Brigade, Canadian Field Artillery.....Lieut.-Col. G. S. Rennie, C.M.G.C.
9th Brigade, Canadian Field Artillery.....Lieut.-Col. W. R. Rierdon, D.S.O.
11th Brigade, Canadian Field Artillery.....Lieut.-Col. W. Simpson
14th Brigade, Canadian Field Artillery.....Lieut.-Col. J. K. MacKay, D.S.O.
19th Brigade, Canadian Field Artillery.....Lieut.-Col. W. H. McLelland
5th Regt., Canadian Garrison Artillery.....Lieut.-Col. F. A. Robertson, D.S.O.
11th Infantry Birgade.....Colonel A. E. Dubue, D.S.O.
14th Infantry Brigade.....Colonel J. B. Rogers, C.M.G., D.S.O., M.C.
16th Infantry Brigade.....Colonel H. M. Campbell, O.B.E.
17th Infantry Brigade.....Colonel W. E. Thompson
21st Infantry Brigade.....Colonel A. Ross, C.M.G., D.S.O.
23rd Infantry Brigade.....Brig.-General V. W. Odlum, C.B., C.M.G., D.S.O.
Canadian Air Force, Wing Commander.....R. Leckie, D.S.O., D.S.C., D.F.C.
Canadian Air Force, Wing Commander.....D. G. Joy, A.F.C.
Canadian Air Force, Wing Commander.....R. F. Redpath
Canadian Air Force, Wing Commander.....J. S. Williams, M.C., A.F.C.
Canadian Air Force, Wing Commander.....J. L. Gordon, D.F.C.
Divisional Engineers, M.D. No. 2.....Lieut.-Col. E. Pepler, D.S.O.
Divisional Engineers, M.D. No. 12.....Lieut.-Col. A. J. McPherson
Canadian Machine Gun Corps, 8th Brigade.Lieut.-Col. G. S. Currie, D.S.O., M.C.
Canadian Machine Gun Corps, 1st Motor Brigade.....Lieut.-Col. W. C. Nicholson, D.S.O., M.C.
Canadian Machine Gun Corps, 4th Brigade.Lieut.-Col. A. P. Miller

Honorary Commands:

The Royal Canadian Artillery.....Honorary Colonel.....His Majesty THE KING
Les Voltigeurs de Quebec.....Honorary Colonel.....Brig.-Gen. T. L. Tremblay, C.M.G., D.S.O.
The York Regiment.....Honorary Lieut.-Col....Lieut.-Col. T. G. J. Loggie, I.S.O.
13th Scottish Light Dragoons.....Honorary Colonel.....Lieut.-Gen. Sir R. E. W. Turner, V.C., K.C.B.
The Irish Fusilliers of Canada.....Honorary Lieut.-Col....Lieut.-Col. Robt. Kelly
5th B. C. Light Horse.....Honorary Colonel.....Maj.-Gen. Sir A. C. Macdonell, K.C.B., C.M.G., D.S.O.
5th (B.C.) Regt. Canadian Garrison Artillery.....Honorary Colonel.....Lieut.-Gen. Sir A. W. Currie, G.C.M.G., K.C.B.
22nd Regiment.....Honorary Colonel.....Marshal Ferdinand Foch, G.C.B.
1st B.C. Regiment (1st Battalion).....Honorary Lieut.-Col....His Honour W. C. Niehol
The Cameron Highlanders of Canada.....Honorary Lieut.-Col....Maj.-Gen. Sir A. C. Macdonell,
The Stormont and Glengarry Regt.....Honorary Colonel.....Maj.-Gen. Sir A. C. Macdonell,
The Winnipeg Grenadiers.....Honorary Colonel.....Lieut.-Col. Sir Hamar Greenwood, Batt:, K.C.
The Halifax Rifles.....Honorary Colonel.....Rt. Hon. Sir R. L. Borden, G.C.M.G.
The Toronto Regiment.....Honorary Colonel.....General Lord Byng, G.C.B., G.C.M.G

To Command Re-organized Regiments of the Militia.

The Governor General's Body Guard.....Lieut.-Col. W. W. Denison, D.S.O.
18th Canadian Light Horse.....Lieut.-Col. H. W. Arnold
13th Scottish Light Dragoons.....Lieut.-Col. H. A. Stewart, D.S.O.
9th (Grey's) Horse.....Lieut.-Col. F. Moss
12th Manitoba Dragoons.....Lieut.-Col. A. L. Young
16th Canadian Light Horse.....Lieut.-Col. G. H. Bradbrooke, D.S.O., M.C.
1st Hussars.....Lieut.-Col. C. H. Reason, O.B.E., D.S.O.
The Alberta Mounted Rifles.....Lieut.-Col. L. H. Dawson
The Border Horse.....Lieut.-Col. F. Palmer
The Manitoba Horse.....Lieut.-Col. D. O. E. Boulton
The Manitoba Mounted Rifles.....Lieut.-Col. A. C. D. Piggott
The P. E. Island Light Horse.....Lieut.-Col. W. C. Cook
The Ontario Mounted Rifles.....Lieut.-Col. J. F. H. Ussher

2nd Dragoons	Lieut.-Col. J. Z. Fraser
17th Duke of York's Royal Canadian Hussars	Lieut.-Col. E. Gill, M.C.
The King's (Nova Scotia) Mounted Rifles	Lieut.-Col T. A. Lydiard
The Governor General's Foot Guards	Lieut.-Col. W. B. Bartram
The Queen's Own Rifles of Canada	Brig.-Gen. J. A. Gunn, C.M.G., D.S.O.
The Queen's Own Rifles of Canada (2nd Bn.)	Lieut.-Col Reginald Pellatt
The Royal Grenadiers	Lieut.-Col. A. E. Gooderham
The Simcoe Foresters	Lieut.-Col. D. Carmichael, D.S.O.
The Halton Rifles	Lieut.-Col. J. Ballantine, D.S.O.
The Northern Pioneers	Lieut.-Col. R. H. James
The Kent Regiment	Lieut.-Col. N. Smith
The Durham Regiment	Lieut.-Col. H. Read, O.B.E.
The Grenville Regiment (Lisgar Rifles)	Lieut.-Col. T. A. Kidd
Le Regiment de Montmagny	Lieut.-Col. J. N. Roy
The Picton Highlanders	Lieut.-Col. L. H. MacKenzie
The Mississauga Regiment	Lieut.-Col. C. C. Harbottle, C.M.G., D.S.O.
North Saskatchewan Regiment (1st Bn.)	Lieut.-Col. W. J. White, D.S.O., M.C.
The York Rangers	Lieut.-Col. F. F. Clarke. D.S.O.
The Grey Regiment	Lieut.-Col. G. D. Fleming
The Rocky Mountain Rangers	Lieut.-Col. J. R. O. Vicars
The Norfolk Rifles	Lieut.-Col. L. F. Aiken
The 48th Highlanders	Lieut.-Col. C. W. Darling
Les Franc-Tireurs du Saguenay	Lieut.-Col. J. O. Lachance
The Rainy River and Kenora Regiment	Lieut.-Col. C. N. Schnarr
The Alberta Regiment (2nd Bn.)	Lieut.-Col. P. J. Daly, C.M.G., D.S.O.
Le Regiment de Chateauguay	Lieut.-Col. J. H. Chabelle, M.C.
South Saskatchewan Regiment (1st Btn.)	Lieut.-Col. J. A. Cross, D.S.O.
South Saskatchewan Regiment (4th Bn.)	Lieut.-Col. A. H. D. Sharp, M.C.
The Essex Fusiliers	Lieut.-Col. S. C. Robinson
The Grey Regiment	Lieut.-Col. G. F. McFarland
The Peel Regiment	Lieut.-Col. A. J. McCausland
Le Regiment de St. Hyacinthe	Lieut.-Col. E. D. Payau
The Lake Superior Regiment	Lieut.-Col. J. D. Young, D.S.O., M.C.
The Calgary Regiment, (1st Bn.)	Brig.-Gen. H. F. McDonald, C.M.G., D.S.O.
The North British Columbia Regiment	Lieut.-Col. J. H. McMullin
The Peterborough Rangers	Lieut.-Col. A. W. McPherson
The Three Rivers Regiment	Lieut.-Col. F. I. Ritchie
The West Toronto Regiment	Lieut.-Col. H. W. A. Foster, D.S.O., M.C.
The Kootenay Regiment	Lieut.-Col. C. H. Pollen
The Canadian Scottish Regiment	Lieut.-Col. C. W. Peck, V.C., D.S.O.
The Irish Regiment	Lieut.-Col. R. H. B. Magee
The Royal Hamilton Regiment	Lieut.-Col. R. A. Robertson
The Colchester and Hants Regiment	Lieut.-Col. J. Wise, D.S.O.
The P.E. Island Regiment	Lieut.-Col. C. J. C. Stewart, M.C.
The Middlesex Light Infantry	Lieut.-Col. O. L. Berdan
The Cape Breton Highlanders	Lieut.-Col. M. D. E. McKeigan
Haldimand Rifles	Lieut -Col. H. J. Gould
Prince Albert Volunteers	Lieut.-Col. F. J. O'Leary, M.C.
1st (Halifax) Regiment	Lieut.-Col. S. C. Oland
Edmonton Regiment (1st. Bn.)	Lieut.-Col. R. H. Palmer, D.S.O.
Le Regiment de Dorchester	Lieut.-Col. J. A. Gilbert
The Halton Rifles	Lieut.-Col. G. O. Brown
The Ontario Regiment	Lieut.-Col. C. F. Bick
The Elgin Regiment	Lieut.-Col. D. E. Gerrard
The Northumberland (N.B.) Regiment	Lieut.-Col. C. Donald
Le Regiment de Joliet	Lieut.-Col. C. T. de Lanaudiére
The Toronto Regiment	Lieut.-Col. J. B. Rogers, C.M.G., D.S.O., M.C.
Canadian Officers Training Corps:	
University of Saskatchewan	Lieut.-Col. A. E. Potts
Mt. Allison University	Major F. L. West
Alberta University	Lieut.-Col. H. J. McLeod
Queen's University	Lieut.-Col. A. Macphail, C.M.G., D.S.O.
McGill University	Lieut.-Col. A. A. Magee, D.S.O.
Manitoba University	Lieut.-Col. N. B. MacLean, D.S.O.
12th Signal Battalion	Lieut.-Col. J. H. Leeson, M.C.

The Department of Soldiers' Civil Re-Establishment: Questions of Pension and Soldiers' Settlement.

Under Sir James Lougheed this Department continued its excellent record into 1921. The Report of N. F. Parkinson, Deputy-Minister up to the end of the year, stated that the re-organization of 1920 had resulted very favourably and the cost of administration been reduced by 6·55 per cent. to date; the number of students in the Vocational Branch was reduced during 1921 from 4,714 to 634; the amalgamation of various sections of the Pension Administration with this Department had increased efficiency and lessened expenditure. Elaborate reports were sub-

mitted by W. C. Arnold, M.D., Director of Medical Services; R. B. O'Sullivan, O.B.E., Director of Dental Services; R. W. Coulthard, Director of Orthopædic and Surgical Appliances Branch; E. Flexman, D.S.O., Director of Administration; J. F. Waddington, Supervisor of Expenditures; Mrs. Arthur Van Koughnet, Hon. Superintendent of Soldiers' Comforts. The total expenditure on War Pensions to Mch. 31 was $86,811,620.

The Report of the Board of Pension Commissioners (Lieut.-Col. J. T. C. Thompson, K.C., D.S.O., Lieut.-Col. J. W. Margeson, K.C., and Colonel E. G. Davis, C.M.G., M.D.) for Mch. 31, 1921, showed an increase in rates during the fiscal year; a reciprocal arrangement as to Pensioners with Great Britain and the United States; the operation of 20 District offices throughout Canada at the beginning of this period and the closing, later on, of 7 of these offices; the awarding of 7,562 new pensions totalling $2,554,957 of a liability, the cancelling of 24,639 pensions involving $3,400,821, and the refusal of 3,573 claims; an Expenditure for the year of $38,191,901 with, at its close, 70,661 Pensions in force totalling $31,184,837 of yearly liability. During the year some changes in position were made. Dr. E. G. Davis, C.M.G., Director of Medical Services, resigned to become a member of the Pension Board, and was succeeded by Dr. W. C. Arnold; J. H. W. Bower, General-Superintendent, Engineering Branch, resigned and was replaced by W. H. George; Major C. G. Arthur, D.S.O., Chief Inspector, was transferred to London, England, as Overseas Representative of the Department.

The scale of Canadian Pensions for total disability was said to be higher and better than in any other belligerent country; the annual rate awarded to widows of privates with children was very much better. In the Commons on Mch. 10, however, Mr. Premier Meighen moved for the re-appointment of a Special Commission to consider questions relating to the pensions, insurances and re-establishment of returned soldiers. The Prime Minister said that for two Sessions a Committee had acted along these lines and the Administration's policy in regard to the treatment of returned men had been largely developed by its work. It was re-appointed, with additions, and with Hume Cronyn as Chairman. On Mch. 22 this Committee reaffirmed its stand of the past year not to re-open the question of further cash gratuities for the re-establishment of soldiers; suggestions also were made as to the placing of the commutation of pensions on a sound actuarial basis. Proposals made to the Committee by C. G. MacNeil, Dominion Secretary of the G.W.V.A., had included increases in widows' pensions; pensions for guardians of soldiers' orphans; no deduction of pension because pensioner did not live in Canada; the equalization of pensions irrespective of rank; pensions to dependents of those who died subsequent to discharge.

The Committee's Report was submitted to the House on May 26. It recommended that the 50 per cent. bonus on pensions be

continued for another year and be applicable to pensioners residing outside of Canada. No change in the Pension Act was made to bring widowed mothers to the same scale as widows, but the Committee advised a change regarding the earnings of children of widowed mothers. It decided, formally, against any further bonus or gratuity. It was also unable to formulate any scheme for making loans to the returned men for re-establishment purposes. In regard to Housing and Unemployment, it suggested that the Government should consider extension of the Federal Housing project and recommended that the Government assume liability, under the Workmen's Compensation Acts, for disabled men, thus enabling them to secure employment more freely.

Important recommendations were made regarding the after-care of tubercular ex-soldiers; amendments suggested to the Soldiers' Insurance Act would permit an initial payment of $1,000 on the death of the assured, instead of one-fifth of the face value of the policy; benefits of the Act, also, were extended to returned soldiers resident outside of Canada; a recommendation was made that pensioners be allowed to assign a portion of their pension toward payment of premiums. In the House on May 28 the Report was discussed and a Resolution by I. E. Pedlow providing pension privileges to 221 Canadian citizens who had served (as Poles) with the Polish army, was voted down without division. Later in the Session the Prime Minister stated that the new Pensions Bill included most of the recommendations made by the Committee and that a vote of $12,000,000 for continuing the Government's Housing policy would be found in the Estimates.

Figures issued by the Department of Re-Establishment in October, up to June 30, showed Pensions totalling $30,802,406, payable to 50,287 disabled soldiers and 19,411 dependents and including allowances for 25,413 wives, 34,721 children, 178 parents of disability pensioners and 10,142 children of dependent pensioners. Up to June 30, 20,126 additional pensioners had accepted a final payment of their claims—an adjustment which cost the Government, in all, $8,127,052. The total amount paid out in pensions up to Aug. 31, 1921, was $141,414,216. Since Sept. 1st, 1920, when the returned soldiers' Insurance scheme came into operation, 5,636 veterans had taken out policies ranging from $500 to $5,000, the aggregate amount of the policies being $15,410,000 and the premium income $189,240. Up to Sept. 30, 1921, 71 claims had been paid totalling $185,862. Major Beresford Topp, D.S.O., M.C., was in charge of the administration of this Act. For the calendar year 1921* the sum of $55,621,469 was spent by this Department and the Pension Board, including $36,671,013 on Pensions and $13,562,012 on Treatment.

According to the Report of the Soldiers' Settlement Board as at June 30, the number of Soldiers' loans approved was 20,465,

*Note.—Statement by Hon. H. S. Béland, Minister, Apr. 20, 1922.

and the amount of money advanced $83,884,210. Of this amount $46,000,000 was for the purchase of land, $26,000,000 for the purchase of stock and equipment, and the rest for improvements and removal of encumbrances. Of 12,233 men liable for repayments to the Board on June 30, 9,802 had met their obligations, 1,416 had made payments in advance of their liabilities and 390 had paid off their debt to the Board in full. The total area of free and purchased land held by soldier settlers was 4,854,799 acres, and, up to June 30, these settlers had broken, approximately, 600,000 acres of new land. In 1920 the grain crops produced by them were valued at $10,000,000. The Parliamentary Committee was informed on Apr. 21 by Major John Barnett, Chairman of this Board, that 25,550 soldiers had taken up farms under the Act and that more thau $108,000,000 was invested in this re-establishment effort. In the six years ended June 30, 1921, the Soldiers' Civil Re-Establishment Department had expended $105,159,531 and the total additional outlay for war service gratuities approximated $164,000,000. It may be added that the Department had trained, up to September, 1921, a total of 51,471 incapacitated men with 41,224 graduating.

Incidents of the year included a second payment by the Imperial Government, totalling about $500,000—with $1,000,000 in the first payment and $500,000 still to come—on account of Canada's share in the profits of the British War Canteen service; the decision of the Canadian Government to include former members of the Imperial and Allied forces—under pension and resident in Canada—in the assistance given on account of current unemployment; an Order-in-Council, passed early in the year, terminating on May 1st the reservation for soldier settlement of all Dominion lands in the Western Provinces within a radius of 15 miles of a railway—except insofar as this reservation applied to lands withdrawn in the Porcupine Forest reserve, the Riding Mountain reserve, Hudson's Bay reserve, Doukhobour reserve, or any individual parcels specially reserved. Another Order at this time extended the relief granted to disabled men by the Department until Apr. 23 with the maximum amounts which could be expended on behalf of any one case as follows: Man and wife $60; first child under 16 (girl 17) $12; second child under 16 (girl 17) $10; maximum payable $85, and no further assistance to be granted to single men without dependents after Mch. 31.

The G. W. V. A. and Other Veteran Associations. Events in this organization consisted, chiefly, of Resolutions and Deputations to the various Governments, with continuous representations at Ottawa by the active Dominion National Secretary, C. G. MacNeil, as to the Association's policy on points before Parliament or its Committees. R. B. Maxwell of Winnipeg, the President, visited various centres and kept the members interested in the objects and work of the Association. During the year the membership of the Association was officially stated as 140,000 enrolled and the number of branches as 887. The Declaration of Principles of the Association had, as its first clause, the following statement: "That the foundation principle upon which this our Association

rests is national service, and that we unreservedly commit ourselves to a standard of service for Canada and the British Empire, in the work of national development, as full, as self-sacrificing, and as free from personal motives as that rendered by our Army overseas."

Early in the year the Alberta Provincial Convention of the G.W.V.A. submitted to the Dominion Government a series of Resolutions passed 17th Dec., 1920, urging (1) that it should appoint a Soldier Committee of Re-Establishment, the members to be representative of the several Overseas Forces, and to include one War Widow and one bereaved parent and that this Committee submit a report with recommendations; (2) that Pensions be increased to one dollar per cent. of disability and all pensions be equal irrespective of rank; (3) that all men who served in the Imperial Forces, whether Naval or Military, who resided in Canada, or who in future may reside in Canada, should, when suffering from a recurrence of War Disability, be given free hospital treatment and allowances at the same rate as their comrades of the C. E. F.; (4) that the Land Settlement Act be amended to authorize the returned soldiers to borrow money to enable them to become owners of their own homes at the same rate as the Farmer settler. Headquarters were retained at Calgary and W. J. Botterell of Red Deer was elected President.

On Feb. 16-18, 1921, the Saskatchewan G. W. V. A. Convention met at Weyburn and passed Resolutions declaring (1) that the Dominion Government be requested to appoint a Commission of representative commercial, merchantile and agricultural interests to investigate the Banking system of this country; (2) that the present Federal Housing scheme was not practicable because it placed responsibility of financing upon the municipal unit which, in a number of cases, was not able to assume this responsibility and that, therefore, the Government should inaugurate a scheme similar to that of Australia; (3) that this Association "records its implicit faith in the fairness and honest intentions of the British Government toward Ireland and that we deplore the influences at work in Canada"; (4) that pensions should be equal irrespective of rank and that the present Pension scale for disability and death was inadequate and should be at the rate of $100 per month for total disability or widows' pensions, with payment at a proportional rate for partial disability; (5) that certain specified public positions should be reserved for tubercular soldiers and that preference in all cases should be given returned men; (6) that the G. W. V. A. should unite with all other ex-Service Associations. Appreciation was expressed of the Red Cross Society and of the Saskatchewan Government's aid to the unemployed; James McAra was re-elected President.

The Dominion Executive met at Ottawa on Feb. 6-8 and the Dominion Secretary was instructed to place a large number of matters before the current meetings of the Parliamentary Committee. The Ontario Command met at Brantford on May 24-25 with 67 delegates present, and heard an address from Mr. Premier Drury. Resolutions were passed (1) protesting against the alleged employment of 500 United States workmen at the Chippawa Power Works; (2) asking the Federal Government to grant the Soldiers' Settlement Board $50,000,000 for loans to returned men to erect homes in cities—the individual limit to be $5,000 with interest at 5 per cent. and the loans to be repayable in 30 years; (3) urging Pension Act amendment so as to permit continuance of allowance on account of the wife of a pensioner with children where such pensioner suffered the loss of his wife by death. E. D. O'Flynn of Belleville was re-elected President.

The British Columbia G. W. V. A. Convention was held at Chilliwack on June 4 with a record attendance, and it declared by Resolution: (1) that some form of universal service and training was desirable in Canada; (2) that Lord Byng's appointment as "a great soldier and leader" was an honour to Canada; (3) that the Provincial Government should implement its promises to give veterans permanent positions under the Moderation Act; (4) that $250,000 of the Canteen Fund receipts of $2,-

000,000 should be granted by the Dominion Government to the G.W.V.A. with $750,000 devoted to Scholarships for soldiers' orphans and $1,000,000 to relief of ex-Service men or dependents; (5) that an Advisory Board on the Pacific Coast be appointed in connection with the Fisheries Department—which latter should be separated from Marine; (6) that the University of British Columbia be completed and extended in its operations; (7) that the post-sanitarium treatment of Service patients be improved with standard workshops, sheltered employment, industrial colonies, a nursing service, central clinics and additional pensions; (8) that vocational training to soldiers' minor orphans be given; (9) that all ex-Naval men be given the same consideration and privileges as Land soldiers; (10) that "the dependent sons of loyal comrades be given membership in our Association upon reaching the age of 18 so as to be inspired by the deeds and actions of their fathers." Loyalty, with denunciation of all sedition, was a dominant note of the meeting.

The Dominion Executive met at Port Arthur on July 6 and passed a long Resolution urging the Government to enact State Unemployment Insurance and to aid in distributing labour so as to meet supply and demand conditions; and another as to restriction of Immigration, increased expenditure on, and better regulation of, Public Works and the construction of a National highway from coast to coast. The Provincial Command of Nova Scotia met at Amherst on Sept. 22 and declared itself in favour of State Unemployment Insurance, of distribution of labour through the Employment Service Council of Canada, of all Federal, Provincial and Municipal labour contracts containing a guarantee providing that 25 per cent. of the men employed be ex-soldiers, of railway fares at one cent per mile being available for unemployed returned men and dependents.

The Great War Veterans' Association for all Canada met at Port Arthur on Oct. 17-19, in its 5th annual Convention, with fraternal delegates from the Imperial Veterans in Canada, the Army and Navy Veterans, and the Grand Army of United Veterans, present by invitation. R. B. Maxwell was in the chair and in his Presidential address urged the exclusion of politics from the organization and the determined exercise of moral force and influence; expressed opposition to any form of National retrenchment without sufficient assurances that it would not affect pensions or any regulation now in force for the benefit of ex-service men or their dependents; advocated productive public work for the unemployed returned soldier, the study by members of economic systems and the discarding of all antiquated and musty theories.

Resolutions were passed in favour of: (1) a Dominion Loan to ex-soldiers for Housing purposes; (2) all Labour contracts to contain a clause providing for the employment of ex-Service men to the fullest possible extent with a preference by employers to returned men when reducing staffs; (3) fraternal relations with the American Legion and affiliation with the G. W. V. A. in the United States; (4) support to the formation of a Federation of returned soldier organizations in Canada with a view to ultimate amalgamation; (5) Pension legislation enacting that the pension awarded a widow, without children or dependents, be increased to $75 a month without regard to income from other sources, with a similar basis for widows with children and $25 for the first child, $15 for the second and $12 for the third; (6) the retention of the present Pension bonus and a rating of the disability pension at $1.00 per cent. disability; a strong immigration and naturalization policy and the principle of future exclusion of Chinese and Japanese and prevention of sale or lease of land to them; (7) constructive and specified improvements in the Soldiers' Settlement Act and changes in the Insurance Act extending periods of application from 2 to 5 years, an increase of the maximum Insurance policy to $10,000 and making fraudulent representations as the only ground for refusal; (8) Civil Service regulations ensuring appointment of a returned soldier as one of the Commissioners, placing temporary employment of ex-Service men on the same basis as per-

manent employees for annual increases and making permanent, after six months service, the temporary appointments of ex-soldiers; (9) a Plebiscite amongst returned men as to distribution of the Imperial Canteen award; (10) a greatly increased Pension rate based on a minimum of 50 per cent. disability paid to men suffering from a disability which compelled them to live in a specified area. R. B. Maxwell of Winnipeg was re-elected President and C. G. MacNeil Dominion Secretary. During October, also, the Association undertook a "Clean Sweep Campaign," to secure adjustment of the outstanding claims of ex-Service men and dependents arising from war service, and this was continued into the next year. It may be added that the Presidents of the Provincial Commands for 1921-22 were as follows:

Province	Name	Place
Nova Scotia	Lieut.-Col. C. E. Bent, D.S.O.	Lawrencetown
New Brunswick	Major H. Preistman	McAdam Junction
P.E. Island	Colonel D. A. McKinnon, D.S.O.	Charlottetown
Quebec	Colonel James Scott	Quebec
Ontario	Dr. W. D. Sharpe	Brampton
Manitoba	Andrew Irwin	Killarney
Saskatchewan	Colonel James McAra	Regina
Alberta	Percy Engle	Craigmyle
British Columbia	T. M. Harnett	Vancouver

Other Soldiers' organizations held important meetings during the year. The Grand Army of United Veterans urged the Parliamentary Committee at Ottawa, on Apr. 4, to grant free medical treatment for five years, Government employment for disabled men, adequate compensation for deserted wives, compensation for parents who lost sons on service, a Committee with power to grant loans in each Military District and re-affirmed the demand for a $2,000 cash bonus to all veterans. The 1st annual Convention of the G. A. U. V. was held at Winnipeg on May 3-4 with Major W. J. Morrison, Toronto, in the chair and 18 branches represented.

The more important Resolutions urged (1) amalgamation of all Soldier organizations in Canada with a view to complete re-establishment of all ex-Service men and women and the dependents of those who made the supreme sacrifice; (2) that all minors up to the age of 21 be given an opportunity to become apprentices in trades—the manufacturers to pay prevailing apprentice wages and the Government to make up same to a living wage; (3) the creation of a Re-establishment Committee in each Military District to enable ex-Service men who had become financially burdened as a result of the War, to discharge their obligations by means of a loan, interest free, for two years, with the right, also, to build homes and re-establish medical or other professional practices out of the loan; (4) the training of minors, where found necessary, who enlisted under the age of 21 years (instead of 18 years, as at present), re-examination of all vocationally-trained students who had been unable to obtain employment with free transportation on all Government railways for disabled ex-service men or women; (5) that the pension awarded a widow without children or a widowed dependent mother with no dependents be increased to $100 per month, without regard to income from other sources and other increases in the general scale; (6) that all Pensions be equal without regard to rank and that adequate compensation for deserted wives and families of all ex-members of the Force be given; (7) that pensions be granted to dependents of those who died subsequent to discharge when it was determined that loss of vitality attributable to war service was the contributing cause of death; (8) that all Governments and public bodies should refuse to award contracts to firms, on tender, who did not employ at least five per cent. disabled men; (9) that a tax be placed on the moneys of alien nationalities leaving Canada permanently for their own or other countries.

Gordon R. McNichol, D.C.M., of Hamilton, was elected President, J. Harry Flynn, Toronto, 1st Vice-President, and J. F. Marsh, Toronto,

Secretary. Shortly after this meeting J. H. Flynn and H. Capewell of Toronto were asked to retire from the organization; W. L. Rayfield, v.c., became 1st Vice-President. The Army and Navy Veterans of Canada had, during these years of war and reconstruction, acquired considerable strength; it had an active organization in Toronto, but its headquarters at this time were in Winnipeg. The Manitoba Provincial Association met there on Aug. 24, and re-elected E. E. Browne-Wilkinson as President; a Resolution was passed in reference to the Dominion grant of $50,000 to the G.W.V.A., out of the Imperial Canteen Fund, and asking questions as to the stipulations, if any, made in respect to the grant; the question of union with other organizations was discussed and objection expressed as to the G.A.U.V.; progress was reported in establishing a permanent Reserve fund for veterans, widows and children.

The 4th Dominion Convention of this body opened at Toronto on Oct. 25 with Major F. G. Taylor, D.S.O., M.L.A., in the chair. Resolutions were approved: (1) Supporting amalgamation of all Soldiers' organizations in Canada but with the proviso that conditions should be non-political and non-sectarian with no class distinction in membership; (2) stating that the organization, if formed, should affiliate with the British Empire Service League; (3) declaring that the $1,800,000 of Canteen funds held in trust by the Government should be devoted to the establishment and maintenance of community homes for disabled and infirm war veterans and their families, and to provide an education, up to and including the first year at University, or a sound business education, not only for the children of disabled and infirm veterans, but also for children of the fallen; (4) asking the Government and the National Railways to dispense with the services of women and girls employed during the War to take the places of men unless they were widows or dependents of ex-Service men and to fill their places with men, preferably Veterans; (5) urging that the provision of productive work, rather than unemployment doles, be adopted as the Government plan of aid to Veterans at this juncture; (6) supporting the aims of the Last Post Fund in securing to every ex-Service man or woman of the Empire, dying in Canada, a decent and honourable interment. Major M. J. Crehan of Vancouver was elected President.

It may be added, in reference to the Canteen Fund matter, that the Government, besides its grant of $50,000 to the G.W.V.A., gave $20,000 to the G.A.U.V. and $12,500 to the Army and Navy Veterans. During the entire year the question of amalgamating the G.W.V.A., the G.A.U.V. and the Imperial Veterans' Association and the Army and Navy Veterans, was widely discussed. Interjected into the matter was the tentative formation at Toronto on June 21 of the Canadian Legion of War Veterans—an attempt to bring together the 500,000 ex-soldiers in the Dominion; J. F. Marsh of the G.A.U.V. was active in the matter and this excited some feeling in the other organizations. On July 24 a public meeting was held in the Toronto Armouries and a number of favourable addresses given; another meeting on Aug. 5 was attended by C. G. McNeil, of the G.W.V.A., Peter Wright, President of the British Seamen's Association; William Turley, Provincial Secretary of the G.W.V.A.; Fred Marsh and President G. R. McNichol, of the G.A.U.V. In other directions, also, the movement was going on but in a different form. The G.W.V.A. Executive at Port Arthur (July 5) declared by Resolution that such an organization, to render efficient service, must have:

(a) A comprehensive Dominion charter of incorporation.

(b) Club buildings and meeting-places throughout Canada.

(c) Headquarters in Ottawa, the seat of Government, and centre of official Departments.

(d) An effective and efficient organization in each Province.

(e) A non-political and non-partisan constitution embodying aims and objects worthy of its soldier-citizen members.

(f) An official organ for the purpose of maintaining interest, spreading information and securing adequate publicity.

(g) A name which clearly defines the Association.

(h) A policy combining protective care of the widow, fatherless, and the disabled; constructive measures on behalf of ex-service men and their dependents; intelligent interest in International affairs, unswerving loyalty to Canada and the Empire.

To meet these ends union was essential and the Executive declared itself ready to meet and discuss union or closer relations with other Veterans' bodies. Following this, on Sept. 16, a meeting of various Societies in Vancouver declared in favour of amalgamation with strong speeches from Maj.-Gen. R. G. E. Leckie and Major M. J. Crehan; similar opinions were expressed in Victoria, B.C., and by the Nova Scotia Command of the G.W.V.A.; the Winnipeg Convention of the G.A.U.V. favoured the principle of union, as did the Port Arthur meeting of the G.W.V.A. Meantime the Canadian Legion of Veterans had partially completed organization (Oct. 1) with a Council which included Lieut.-Col. R. K. Barker, D.S.O.; Col. J. A. Currie, M.P.; Rev. Canon H. C. Dixon, Brig.-Gen. W. A. Griesbach, Brig.-Gen. F. S. Langton, C.M.G.; Maj.-Gen. Sir F. O. W. Loomis, Lieut.-Col. W. C. Mitchell, Brig.-Gen. R. Rennie, Maj.-Gen. Sir David Watson, and others. In England Canadian ex-Service men had started organization on May 28, 1920, as the United Kingdom Branch of the G. W. V. A., with C. A. Donovan as Chairman; its 2nd annual banquet was held in London on Apr. 23, 1921, with 1,542 members announced by Mr. Donovan, who stated that in the past few months they had found work for 58 members, had settled numerous cases of pensions, had obtained Income tax rebates for widows, and, generally, had looked after the interest of the members. F. W. Taylor was elected as the new President.

The Government and Naval Conditions; The Navy League of Canada.

The Government policy as to Naval matters in this year, as in 1920, was one of compromise. The Hon. C. C. Ballantyne, Minister of Marine, Fisheries and Naval Affairs, would have liked a creative, practical policy of sea-power for Canada but public opinion apparently did not warrant it. There was little of the real sea-conscious spirit in Canada; there was a vague but general willingness to let matters rest in the hands of the British Navy; since the War there had grown up a general feeling that public money could be spent for more practical purposes; the Washington Conference increased the sentiment opposed to Naval expenditures at a time when the United States and Great Britain were dis-arming ships and scrapping fleets. The acceptance in 1920 of a few ships of war from Great Britain as the nucleus of a Canadian Navy, had been carried through Parliament by Mr. Ballantyne with some difficulty, and in the next year the appropriation of even necessary maintenance funds was strongly opposed.

In the Commons on May 27, Mr. Ballantyne, after stating that the Government had accepted from the Mother Country one modern cruiser, two modern torpedo destroyers, and two modern submarines, and that these ships had arrived at Halifax on Dec. 18, 1920, and were now on the Pacific Coast, added that they had also sold the old and obsolete cruisers *Niobe* and *Rainow*, as well as the two submarines used during the War, to the

New Brunswick Rolling Mills for $135,000. The vote of $2,500,000 for maintenance of the Royal Canadian Navy was discussed at length. The Minister stated that there were 600 officers and men on the three Canadian ships and 45 cadets in the Royal Naval College at Esquimalt—which had been established in 1911; that the graduates bore an excellent reputation and that 38 of them were under training at Canada's expense in the British Navy; that the dockyards at Esquimalt had been closed for nearly a year and that those at Halifax were being operated on reduced time; that the vote asked from Parliament was for the operation and maintenance of the cruiser and two torpedo destroyers, two submarines, the College and the dock-yards at Esquimalt and Halifax.

Michael Clark (Lib.) protested against this expenditure under existing conditions and wished the ships had remained in England; A. R. McMaster (Lib.) declared it a great mistake to have taken these ships from Britain at all; Ernest Lapointe was opposed to the action because there was no settled policy for the British Dominions as a whole. The item eventually passed. Following these debates the Toronto *Globe* of June 6 referred to the general question of reducing armaments, checking military competition and huge naval expenditures: "In such measures of Naval defence as may still be necessary, Canada is willing to do its share. Two courses have been suggested; direct money contributions and the maintenance of a Canadian fleet which would co-operate with the central Navy. The latter proposal is, we believe, the one that would be supported by Canadian public opinion."

Naval incidents of the year associated with Dominion policy or action included the visit of the small Canadian fleet to Esquimalt in March after a prolonged cruise from Halifax *via* Trinidad, Panama, Nicaragua, San Diego, Cal., various Mexican ports, and Vancouver; the return of the ships to Halifax in July and a warm welcome at Jamaica, where a stop was made, with subsequent visits to Sydney, and Charlottetown, and Montreal—the last place being reached on Sept. 1st; the visit to Montreal, also, on this latter date, of four ships of the British North Atlantic and West Indies Squadron and the appointment of Vice-Admiral Sir W. C. Pakenham, K.C.B., as Commander-in-Chief with a new flagship called the *Raleigh*; the retirement of Rear-Admiral Sir Charles E. Kingsmill from the Directorship of the Canadian Naval Service and a presentation to him on June 16, at Ottawa, of a handsome silver flagon and tray, suitably engraved, by the officers of His Majesty's Canadian Navy, serving in Canadian and Imperial ships, and by senior Civil Officers of the Department, the Royal Naval College and the Dockyards; the grant by the Naval Department of certificates of proficiency in Radio-Telegraphy to 29 out of 52 men who sat for examinations during the month of June. At Vancouver on July 18 G. J. Desbarats, C.M.G., Deputy-Minister of the Naval Service, stated

that there were many competitors for entrance to the Royal Naval College with only 15 admissions possible, that a training school for boys would be opened at Halifax, that H. M. C. S. *Aurora* was now carrying 50 lads for general training in seamanship and that the Canadian Navy was also training engineers for the Imperial Navy.

The Work of the Navy League of Canada. This organization had rather uphill work during 1921 and there were changes in its *personnel* and policy. In Great Britain the Navy League issued a pronouncement of policy which was distinctly one of Pacificism in the sense of preparing for dis-armament, for reduction in Naval effort and for elimination of the old British ideal of sea supremacy as being essential to the safety of an Island Empire. This extraordinary *volte face* of an organization created to urge and maintain supreme sea-power, as absolutely essential to the National life, was embodied in the following passage of a Memorandum issued on Oct. 13, 1920, and signed by the Duke of Somerset as President of the League: "It is said that we live by sea-power, but it is far more correct to say that we live by sea service. It is, of course, perfectly true that we have attained our present position by the use of sea power, no Island can exercise power in any other way, and, though maintained for defence and used as British Seamen have always used it, it is power none the less. And it is in the idea of power that most of the difficulty lies. The sea, then, presents mankind with two extreme conceptions: the possibility of exercising the greatest power in the world, or a field for almost unlimited service—service without which we cannot exist, and which is essential to the well-being of all nations."

The latter was the policy recommended and it, of course, helped to make aggressive advocacy in Canada more difficult. There were vigorous differences of opinion in the British League but on Apr. 30, 1921, the policy was approved at a meeting of the Grand Council and it was urged that Great Britain and the United States should take the lead in proposing a Conference "between all those Powers whose geographical positions impose upon them guardianship of the seas, to decide in what way this joint guardianship may be carried out." The Navy League in Canada did not agree with this view, in a wide and general sense, and at its annual meeting on June 1st sent the following Message through its President (Æmilius Jarvis) to Mr. Meighen at the Imperial Conference:

Whereas the British Navy from the earliest times has been the chief factor under Providence in securing and maintaining freedom, for all, in sea-borne world trade and unrestricted inter-national competition has been the result; and whereas the necessity for, and the advantages of, unity on the part of the Sister Nations of the British Empire in the defence of their several and joint territories and trading interests and for the due and formal recognition of such unity by Nations outside the Empire, were demonstrated beyond doubt during the Great War; and whereas Canada is resolved for all time and in all circumstances to be

and remain a loyal and indissoluble part of the British Empire; sharing the faith common to all free Nations within the Empire that the integrity and stability of the whole Empire fabric is not more inviolable than that of the smallest nation within her ample folds, and that responsibilities and privileges common to each are common to all without distinction:

Be it therefore Resolved that Canada is ready and willing to assume her just and proportionate share, in common with her sister nations of the Empire, of the burden of such Imperial defence as shall be adjudged fit and necessary at that Conference to safeguard Canadian nationality and Imperial unity, and that the Navy League of Canada hereby assures the Prime Minister of Canada that any obligations in which the Government of Canada may think proper to co-operate at the forthcoming Empire Conference in the matter of Empire unity, will have the fullest possible measure of loyal advocacy and support from the League's Members and friends throughout the Dominion.

The Annual meeting was held at Halifax on June 1-2 in the newly-built Navy League Institute, with Æmilius Jarvis, of Toronto, in the chair and representatives present from all the Provinces except British Columbia and Saskatchewan. Mr. Jarvis described the object of the League as, primarily, to educate the masses in the "vast importance of sea-power, sea-knowledge, sea-interests, and their inextricable association with National existence." The membership was stated at 15,000. Edward Wodson, Secretary of the Educational Committee, referred to the absence of J. Castell Hopkins, Chairman, who had recently resigned his position, and presented an elaborate Report of the Committee's work during the past year. The total distribution of League pamphlets in the year was stated at 104,000 and, since the Committee's appointment in 1919, at 879,000; the number of lettergrams or special leaflets distributed was 160,000 with 5,000 copies of a 1921 Navy League Calendar and 18,000 Dominion membership certificates. The campaign of education in Lantern slides, public lectures and meetings, sea-song publication, phonograph records, children's books on *Ships and Men of the Empire*, and through Prize Essays in schools, was dealt with at length.

The Report of Hon. James Craig, Chairman of the Relief Committee, showed $5,115 spent in sailors' relief work. It was decided by Resolution to sever connection with the British and Foreign Sailors' Society. The Report of D. A. Paine, Treasurer, showed Assets of $1,068,277 of which $65,000 was invested in the Sailors' Home at Vancouver, $275,000 at Halifax, $14,000 at Charlottetown, $16,000 at Montreal and $25,000 at Sydney; the Endowment Fund or reserve was $460,000 and the balance in Bank on Dec. 31, 1920, was $152,752; the Receipts of the year, including 1919 balance, were $727,817. The Report of Sam Harris, President of the Ontario Division, showed a Provincial membership of 11,570 contained in 130 branches, with Boys' Naval Brigades operated at nine points and 760 members. Gordon B. Jackson, Secretary of the League, reported a personal campaign of speech-making and educational work in the West with over 30 addresses. The Provincial Divisions then

announced contributions for Dominion purposes which totalled $26,622 with only Manitoba, Ontario and Quebec sharing in the vote.

Resolutions were passed (1) viewing with "great apprehension" the British Navy League's "departure from a policy which has been our greatest safeguard" and declaring that it did not affect the policy of the League in Canada; (2) reorganizing the work of the League by combining the direction of *The Sailor*, as the organ of the League, with the Secretarial work of the Educational Committee in the hands of one official —Edward Wodson being afterwards appointed; (3) favouring the appointment of a General Secretary for the four Western Divisions of the League; (4) urging the Government to place the Boys' Naval Brigades (numbering 15 or so) on a financial basis as favourable as that of other organizations—such as the Cadets—in Canada, and, also, to organize a Royal Canadian Naval Reserve. An important incident of the meeting was the opening of the Halifax Sailors' Institute on June 1st with addresses by F. K. Warren, President of the Nova Scotia Navy League, Æmilius Jarvis, Lieut.-Governor Grant, Sam Harris, President in Ontario, and R. E. Armstrong, President in New Brunswick.

Meanwhile, on May 18, the Ontario Division of the League had met in Toronto with Æmilius Jarvis in the chair. Various Reports were received and a Resolution passed urging, as a basis for representation of Provinces on the Dominion Council, either the number of branches, number of members, or amount collected yearly. Addresses were given by the President, Mrs. W. E. Sanford of the National Council of Women, Miss Joan Arnoldi of the I. O. D. E., and Hon. N. W. Rowell; Gordon B. Jackson, Secretary, was eloquent in his study of "The Shadow of Nelson." Sam Harris, Toronto, was elected President, Lloyd Harris of Toronto, Vice-President, with Dr. J. G. Evans, Kingston, as 2nd Vice-President. During Admiral Beatty's visit to Toronto a mass meeting was held on Nov. 28, under League auspices, and an Address presented, signed by Messrs. Jarvis and Harris, which stated, in part, that: "We claim for Canada a heritage in the glorious service that, for over a century, secured for the ships of all nations a peaceful, uninterrupted commerce on the seas, which has made the British Navy the mightiest factor, in promoting the happiness and security of all mankind, the world has ever known. x x x The Navy League of Canada lives, feels, and acts in the shadow of Nelson."

At the close of the year the League issued a statement in the Canadian press protesting against undue or extremist agitation for Naval disarmament. It asserted that the Symbol of the reign of law against the rule of force in 1914 was—by the help of God—the British Navy, and that the Washington Conference was only possible to-day because of the ready efficiency of that Symbol at the time of humanity's sorest need; that

land-hunger, territorial ambition and kindred afflictions still tormented the nations, and that the United States coastline was 25,000 miles while that of the British Empire was over 100,000 miles scattered over the Seven Seas. The document caused considerable discussion and aroused, in particular, the Winnipeg *Free Press* which vigorously attacked the League for an alleged jingoism. Incidents of the year included a report of much work accomplished by the Victoria Branch of the League which met on Feb. 4th and elected W. H. Langley Chairman, in succession to R. T. Ravenhill, and inauguration by the Montreal Branch of a Navy League Club which was formally opened on May 25.

The 1921 Session of Parliament; Bye-Elections of the Year.

This was Mr. Meighen's first Session as Leader of the House of Commons; it was destined to be the last Session before a General Election. Parties were visibly preparing for a contest which seemed inevitable; leaders were getting policies before the people in elaborate speeches or varied Opposition motions; several bye-elections were held and the results attracted much interest. Mr. Meighen had a difficult task. His Cabinet was not distinguished for its debating power—though he, himself, was a remarkably skilled debater; Sir George Foster, Mr. Doherty and Mr. Guthrie constituted his chief support in this respect; against him was the forceful oratory of the Liberal leader, of Mr. Lemieux, Mr. Béland and Mr. Lapointe and, practically, the entire French contingent; opposed, also, was the acute Parliamentary leadership of Mr. Crerar, the experienced skill of Mr. Fielding, the vigorous criticisms of Hon. Charles Murphy and A. R. McMaster, K.C., and the trained dialectic skill of Michael Clark. The notable personal changes were the passing of L. J. Gauthier, K.C., from a Liberal party allegiance of 34 years to the support of the Government; the separation of Senator J. G. Turriff, a Liberal-Unionist, from that party and affiliation with the Progressives; the severing of relations by Hon. A. K. Maclean with the Government and return to his Liberal allegiance; the passing of F. L. Davis, J. A. Campbell and W. A. Buchanan (Liberal-Unionists) to the Independents, and of Major G. W. Andrews, D.S.O., of Winnipeg, (Cons.)

The opening of Parliament was on Feb. 14, 1921, with H. E. the Duke of Devonshire officiating. In the Speech from the Throne His Excellency referred to the financial periods of prosperity and contraction following the War, the concurrent reduction in prices and the bountiful harvest of 1920; dealt with the current revision of taxes, the revenue situation and existing unemployment, as a world-wide condition; stated that an investigation was being conducted by the Department of Labour into systems of Unemployment Insurance and Old Age Pensions and promised early submission of the Canada-West Indies'

Agreement; described the first Assembly of the League of Nations and promised to place the draft scheme for a Permanent Court of International Justice before Parliament; mentioned the recent Enquiry into Tariff conditions and declared that, in any revision undertaken, "regard must be had to the necessities of revenue and that the principle of Protection to Canadian labour and legitimate Canadian industries, including Agriculture, which has prevailed for more than 40 years in this country, must be consistently maintained"; promised various items of legislation. The Address in reply was moved by James McIsaac of Kings, P.E.I., and seconded by J. A. MacKelvie of Yale, B.C., and the debate thereon lasted until Mch. 3rd.

On Feb. 15, Hon. Mackenzie King, Opposition Leader, seconded by Hon. W. S. Fielding, moved an Amendment declaring that: "We respectfully submit that Your Excellency's present advisers do not possess the confidence of this House or of the country, and that their retention of office constitutes a usurpation of the powers of popular government." In this Resolution and in ensuing speeches by Liberals and Progressives, alike, the position of the Government was directly challenged, its warrant or popular authority absolutely denied. Mr. King declared that it was not a Union Government, nor a Coalition Government, nor a War Government, and yet denied being a Conservative or Liberal Government. What was it then and whence its mandate? "One of two alternatives alone is possible. Either the Government is, as it purports to be, an entirely new Government, with a new name, a new Prime Minister, a new set of principles and policies, and the support of a new party, the existence of which remains as yet to be discovered; or it is the soiled remnant and ragged edges of the old Unionist administration, which it disowns, travelling under counterfeits and aliases, and purporting in all things to be what, in reality, it is not."

The only test of its right to existence was said to be a General Election and this the Opposition elements consistently demanded. Out of 8 by-elections in Government seats since 1917, Mr. King stated, the Union Government had held only one; the Meighen Government had already lost East Elgin and West Peterborough. The Prime Minister (Mr. Meighen) denied the alleged constitutional position absolutely and quoted British, Australian, and New Zealand action as to dispensing with Elections since the War; he pointed out that the West was entitled, under the Census, to from 10 to 25 more seats in Parliament and, if the House was dissolved before re-distribution, that representation would be denied; he submitted that it was the duty of the Government under existing conditions to carry on and develop its policy so long as a majority of the members of the House supported it. The debate was lengthy, elaborate, far-flung in subject matter, acrimonious at times in word and thought; it covered a wide range of subjects and speakers and

finally closed with rejection of the Opposition amendment by 116 to 91 votes.

Ensuing incidents included the possible Government defeat of Feb. 16 when there was a minority of Government members in the House and the saving of the situation by an impromptu speech from E. W. Nesbitt; the intimation of the Liberals on Feb. 17 that all pairs would be refused during the Session—an awkward condition in view of the absence of 10 Government supporters through illness, and one which was kept up for some time; the speech of L. J. Gauthier, K.C. (Lib.), on Feb. 17 in which he declared that the Liberals wanted Free Trade or a tariff for revenue, only, with the overthrow of the Laurier fiscal policy and that the Agrarian movement was a class movement; the challenge by H. H. Stevens (Con.) on Feb. 22nd to the Liberals to put their 1919 Tariff policy in a Parliamentary motion; the declaration by Hon. T. A. Crerar, Progressive Leader, (Feb. 24) that "the country with which we can best trade for the next number of years is the country immediately to the south of us" and that Canada should have more Trade agents in the United States; the vote of the Progressive or Agrarian party with the Liberals on the want of confidence Address motion of Mch. 3rd.

There was a debate on Mch. 29 regarding the five vacancies in the House and as to the resignation of Sir Herbert Ames who had accepted a Secretarial position on the League of Nations, and Mr. Mackenzie King moved a Resolution declaring that "representation in Parliament being a fundamental right of the people, writs should be issued at once to fill the existing vacancies in the House of Commons"; the Progressives supported the Opposition but the Government won by 89 votes to 58. Marine estimates and Shipbuiding policy and the Government Merchant Marine also were discussed at length on this date, on Apr. 7 and on Apr 12 when, amidst rather stormy scenes, a deadlock occurred in Supply and was met by Closure. On Apr. 1st H. M. Mowat, K.C., urged the appointment of more Commercial agents in the United States and was supported by H. B. Morphy—the idea was rather deprecated by Sir George Foster and Mr. Fielding. By application of the closure on Apr. 14 about $80,000,000 of the Estimates were passed through the House with a prolonged fight over $8,300,000 for the Merchant Marine Service and a majority of only 19.

Succeeding incidents included the defeat of Mr. Fielding's Reciprocity motion (Apr. 13) by 100 to 79 and passage of the new French Trade Agreement on Apr. 14 and the Resolution giving the Canada Wheat Board power to wind up its business; the statement in the Senate by Sir James Lougheed as to U.S. Commercial agents that it was unfortunate that in Canada powerful concerns were relying on the Government to extend their trade instead of doing the work for themselves, and that Canada was spending more than $100,000,000 buying goods in the United States which it could produce at home; the Resolu-

tion presented by the Liberal leader on Apr. 27 declaring that no step should be taken at the coming Imperial Conference involving any change in the relations of Canada to other portions of the Empire and that, "in view of the present financial position of Canada, no action should be taken implying any obligation on the part of Canada to undertake new expenditures for Naval or Military purposes," which was debated and defeated by 96 to 64; the opposition of the Liberals to the Government's Civil Service Bill on account of its alleged tendency to restore patronage and the vote of May 2nd when Hon. A. K. Maclean's 6 months' hoist was voted down by 72 to 57.

A peculiar incident of the Session was the reading by Hon. Mr. Lemieux of a letter written by Hon. R. W. Wigmore, Minister of Customs, on official paper dated Jan. 13, 1921, and addressed to the French Purchasing Commission, care of the French Embassy, London. It mentioned the fact that "your Government will have quite a few French Steamers taking grain from the Port of Saint John, N.B., Canada, this winter," and added: "The firm of Nagle and Wigmore, of which I am a member, are very anxious to secure this business. We are the largest firm of shipbrokers in Saint John and have done a very large amount of business along these lines. As you are no doubt aware, I am Minister of Customs and Inland Revenue in the Canadian Government and x x x we are in a position to handle your business to your satisfaction." The Minister's statement in the House was as follows: "Since being called into the Cabinet I absolutely have received no benefit in any way, shape or form, financial or otherwise, from the firm of which I was a member at that time. I wrote as I would write a letter on behalf of my Hon. Friend from Maisonneuve if he were in the business." The matter was further discussed on May 10.

The Budget debate which began on May 9 was enlivened by a Liberal amendment declaring that the Tariff was a tax and should not be based on the principle of Protection, though it should encourage industries based on natural resources; that changes should be made so as to reduce the cost of living and that there should be a substantial reduction in the Government's expenditures before any resort to new taxation. A. R. McMaster (May 10) attacked the Sales Tax as unsound and burdensome upon the consumer and J. F. Johnston (Prog.) took a similar view on May 18 with special reference to it as a burden on returned soldiers; Hon. Mr. Lemieux (May 11) declared himself in favour of a moderate and reasonable measure of Protection. The debate was closed on May 19, after a vigorous discussion and the amendment defeated by 103 to 83.

The presentation by Rt. Hon. J. W. Lowther, M.P., of a new Speaker's chair as the gift of the British House of Commons and a duplicate of the Westminster chair took place on May 20. In the House on the 28th the cost of the new Parliament Buildings was discussed and A. B. Copp claimed that the original esti-

mate was $5,000,000, the present cost $10,000,000 and the probable cost $12,000,000; Hon. Charles Murphy, a member of the Committee in charge, gave an historical record of construction and asked the Minister of Public Works to furnish the House with full details of the $10,000,000 cost. The Opposition on June 4 protested against so many Ministers being in the Senate. Parliament was prorogued on the same day by H. E. the Duke of Devonshire after passing many Bills; on June 3rd a farewell Address had been presented to His Excellency and the Duchess of Devonshire. The chief debates of the Session, in the Senate and the Commons, may be summarized as follows:

Chief Debates in the Senate during 1921 Session

Date	Subject	Introduced by	Hansard Page
Feb. 15	The Address	Hon. Lorne C. Webster	3, 12, 33, 65, 79 104
Feb. 17	Dominion Elections Act Amendment Bill	Hon. Sir James Lougheed	2, 52, 56, 141
Mar. 1	Lake of the Woods Control Board Bill	Hon. Sir James Lougheed	127, 144, 149, 153, 155, 314, 637, 641
" 30	Canada and the Empire	Hon. L. O. David	174
" 31	National Transcontinental Railways—Quebec Terminals	Hon. Jules Tessier	185, 204, 228, 236
Apr. 7	The Railway Problem in Canada	Hon. J. P. B. Casgrain	218, 242, 257, 381, 407
" 14	De Martigny Divorce Bill	Hon. G. V. White	256, 325
" 21	West Indies Trade Agreement Bill	Hon. Sir James Longheed	302, 329, 347, 421, 426
" 21	Currency Bill	Hon. Sir James Lougheed	302, 334, 353
" 26	Royal Canadian Mounted Police Bill	Hon. Sir James Lougheed	324, 408, 426
" 19	French Trade Agreement Bill	Hon. Sir James Lougheed	279, 407, 426
Feb. 22	Gold and Silver Marking Bill	Hon. G. Lynch Staunton	65, 125, 281, 426, 447, 497
May 10	Court of International Justice Bill	Hon. Sir James Lougheed	451, 479, 514, 551
Feb. 16	Revision of Punishment Bill	Hon. Leonard McMeans	11, 63, 144
Mar. 8	Post Office Act Amendment Bill	Hon. P. E. Blondin	153, 168, 175, 189 194
Apr. 19	Judges Bill	Hon. James Sir Lougheed	279, 305, 339, 408 434, 448, 474, 527, 591, 601
Apr. 19	Canadian Nationals Bill	Hon. Sir James Lougheed	279, 302, 315
" 26	G. T. Arbitration Bill	Hon. Sir James Lougheed	324
May 4	Conservation Act Repeal	Hon. Sir James Lougheed	441, 500, 553
"	Bankruptcy Bill	Hon. Sir James Lougheed	531, 563, 573, 585

Chief Debates in the Commons during the Session

Date	Subject	Introduced by	Hansard Page
Feb. 15	Address in Reply	James McIsaac	5, 40, 55, 110, 154, 188, 230, 244, 262, 313, 351, 397, 448, 479
Feb. 28	Copyright Bill	Rt. Hon. C. J. Doherty	350, 2909, 3830, 3850, 4256
Mar. 1	Canadian Nationals Definition Act	Rt. Hon. C. J. Doherty	397, 585, 644, 767, 2031, 2151
" 9	The Cattle Embargo	Wm. Smith	702, 725, 758, 766
" 11	Political Patronage in Civil Service	Hon. Sir Sam Hughes	789, 836, 2778, 2824, 2843, 2855 3248
" 11	Lake of the Woods Control	Rt. Hon. Arthur Meighen	788, 2033, 2346, 2445
" 14	Development of Natural Resources	R. J. Manion	841, 894
" 16	Hudson's Bay Railway	J. A. Campbell	974, 994, 999, 1852
" 18	Opium and Narcotic Drug Act Amendment Bill	Rt. Hon. Arthur Meighen	1069, 2263, 2268 2346, 2896, 3009
" 21	Housing Problem	H. C. Hocken	1134, 1152, 1857
" 23	Fuel Supply	Michael Steele	1247, 1439, 1857
" 29	C. G. Merchant Marine	Hon. C. C. Ballantine	6314, 557, 1272, 1701
" 30	Unemployment and Immigration	Mr. H. Deslauriers	1351, 1380
Apr. 4	Proportional Representation	J. A. Sexsmith	1528, 1542, 1554, 2027
" 5	Canada West Indies Trade Agreement	Rt. Hon. Sir George Foster	1557, 2251, 2263

Date	Subject	Introduced by	Hansard Page
Apr. 5.	French Treaty	Rt. Hon. Sir George Foster	1557, 1573, 2125, 2152
" 5.	Judges Act Amendment Bill	Rt. Hon. C. J. Doherty	1559, 1572, 1573, 2117, 2151, 3009 3972, 4040, 4250
" 6.	Minister of Labour and Catholic Unions.	Ernest Lapointe	1625, 3584
" 14.	Court of International Justice Bill	Rt. Hon. C. J. Doherty	2096, 2708, 3013
" 14.	Canadian Wheat Board	Rt. Hon. Sir George Foster	2116, 2117, 2158
" 19.	G. T. Railway Arbitration	Rt. Hon. Arthur Meighen	2247, 2346, 2445, 2450, 2560, 2566 2977, 2821
" 22.	Retirement of Civil Servants	Hon. J. A. Calder	2486, 2503, 4275, 4278
" 27.	Prime Ministers' Conference	Rt. Hon. Sir Robert Borden	2626
" 28.	Civil Service Amendment Act	Hon. E. K. Spinney	2685, 2778, 2823, 2835, 2887, 2921 4278, 4460, 4493
" 29.	Dominion Elections Amendment Bill	Hon. Hugh Guthrie	2775, 2994, 3090, 4227, 4249, 4250
" 9.	The Budget	Hon. Sir. Henry Drayton	2943, 3114, 3127 3146, 3209, 3263 3322, 3343, 3375, 3424, 3531, 3584, 3155, 3686
" 19.	Presentation of Speaker's Chair	Rt. Hon. J. W. Lowther, M.P.	3688, 3696
" 21.	Oleomargarine Act	Rt. Hon. Arthur Meighen	563, 3759, 3760, 3879, 3886, 3905
" 23.	Air Board	Michael Steel	3776
" 26.	Canada Temperance Act	Rt. Hon. C. J. Doherty	3901, 4061, 4373, 4388
" 28.	Returned Soldiers Insurance Act Amendment Bill	Hume Cronyn	4260, 4262, 4355, 4361
June 1.	Pensions Act Amendment Bill	Rt. Hon. Sir Arthur Meighen	4262, 4266, 4361, 4373
Various Dates	League of Nations	Various Speakers	97, 110, 125, 157 164, 186, 188, 195, 204, 227, 229, 237, 247, 285, 357, 400, 435, 474, 2629, 2650, 2789, 3157, 3205

There was a good deal of important legislation during the Session—over 200 Bills were passed. They included Sir Henry Drayton's measures to strengthen the sections of the Customs Tariff Act and to protect Canadian producers against the dumping of foreign goods in the Dominion, with the ratification of the West Indies Agreement and the French Trade Convention; the Bills bringing the Grand Trunk Railway Co. completely under control of the Government and providing for Arbitration in connection with that Railway and an Enquiry into the system and operation of the Canadian National lines by a special Committee of the Commons; the legislation granting further assistance to disabled soldiers in obtaining employment, extending the scope of the Soldiers' Insurance Act, continuing the 50 per cent. bonus upon pensions for another year, improving the position of the widowed mother of a soldier, giving returned men a better chance for appointment to the Civil Service. There was, also, the Bill authorizing the importation, manufacture and sale of Oleomargarine for another year.

One-half of the statutes passed were Divorce bills—in all 113 such bills became law, as compared with 100 in 1920 and 236 in the decade which ended in 1919. From Confederation to date (54 years) Parliament had granted 610 divorces. A measure was passed which provided for the marking of foreign goods so as to clearly indicate the country of origin; an Amendment to the Customs Law dealt with the collection of Customs duty on the amount of discount on the Canadian dollar in addition to

the ordinary value of goods for Customs purposes; an Act was passed to standardize the grading of Dairy products and another made the Monday of the week of November in which Nov. 11 fell a public holiday as Armistice Day—Thanksgiving Day to be also observed on this date.

There were important changes in the Civil Service Act, preceded by a very frank motion from Sir Sam Hughes on Mch. 11 which declared that "the best interests of Canada and its people would be served, and the principles of responsible government would be maintained, by a system of political patronage wherein appointments to and promotions in both the Outside Civil Service and the Inside Civil Service would be brought under the specific consideration and recommendation of the members of Parliament, or the defeated candidates of the party in power". In his speech he suggested the appointment of a Parliamentary Committee to supervise the work of the Civil Service itself. A. E. Fripp (Ottawa) seconded the Resolution and claimed that the Commission had not abolished patronage, that the new system had cost too much, that among Civil Servants it had caused a great deal of unrest. He claimed that the Commission had grown from 5 employees at $12,531 in 1908, to 16 permanent and 10 temporary employees at $43,925 in 1917-18, while in 1919-20 the employees were 46 permanent and 159 temporary, with a salary list of $201,730. Hon. W. S. Fielding stated that, in his opinion, a Member was a far more competent judge of the ability of an office-seeker in his own Riding than were the members of a Commission sitting in Ottawa. There was a general discussion and, eventually, the motion was withdrawn.

On. Apr. 28 the Government, through Hon. E. K. Spinney, presented an Amending Act to that of 1918 and the Minister, in moving it, stated that if its introduction left the impression on the mind of any member that the Government was receding from the main principles of the Civil Service Act of 1918, namely, the abolition of patronage, he should at once "dismiss that idea from his mind." The main features of Mr. Spinney's Bill in its tentative form for Committee consideration was the provision that three classes of Civil Servants be taken from under the control of the Commission: (1) Manual labourers; (2) Postmasters whose remuneration in part or in whole consisted of a percentage on the receipts of the Office; (3) Professional, scientific and technical officers. Appointments to these classes of positions, taken out of the control of the Civil Service Commission, would be made by the Governor-in-Council, subject to a certificate of qualification by the Commission—except in the case of professional appointees, where the Doctor's degree or lawyer's call to the Bar would be sufficient. All promotions and transfers from one Department to another would be taken from the control of the Commission and be made by the Governor-in-Council on the recommendation of a Minister after report by a Deputy-Minister—the Auditor-General to make his own promotions.

The Opposition claimed that the measure was a return to the old Patronage system. On May 2nd Hon. A. K. Maclean, who was largely responsible for the original measure of 1918, moved the 6 months' hoist to the 2nd reading and declared in his speech that the Bill was extremely important: "It is a reversal of every principle of importance contained in the Civil Service Act of 1918, it is a reversal of public policy as declared in the Elections of 1917. x x x That is the purpose of this Bill—a clear-cut, definite reversion to the practice of political patronage as it prevailed before 1918—with a few trivial and perhaps unimportant exceptions." Mr. Maclean admitted that the present Act was not popular with sections of the Civil Service, of Parliament, and of the public; the present Act, in so radically changing that of 1918, had created confusion in places and there were 10,000 more persons in the Service than in 1914—though this was due to the War. A return to political patronage meant, to the speaker, extravagance in appointments and in salaries, growing expenses and difficulties: "If the Act is repealed, and if the Bill now before the House becomes law, then I declare that the Railways of this country will become a machine of the political parties, in which case this country might as well make up its mind to get rid of the Railway system which we own and control."

Mr. Doherty, Minister of Justice, in a reply for the Government, stated that "men of experience in the public business of this country, men long years removed from any political action," had expressed in strong and clear terms the opinion that the Public Service of Canada, the business of the Government and the country were suffering by the enforcement of certain provisions in the Civil Service Act. He stated that the Bill was purely tentative, that the Government did not stand arbitrarily by its clauses and were ready to accept changes. As to political patronage, the Minister pointed out that under the proposed system the Civil Service Commission would certify as to qualifications and every appointment be subject to its veto. F. F. Pardee (Lib.) stated that the present Act had not worked out well in its application to manual labourers and Postmasters; the Bill, however, was a distinct return to old practices and the proposed Committee of reference was a partisan one.

Hon. Mackenzie King supported the Amendment and agreed with Mr. Maclean's views: "The legislation which we have now before us is intended to lessen and restrict the powers of the Civil Service Commission and to increase the powers of the Governor-in-Council in those particulars. x x x The purpose of the Bill is to reduce the Civil Service Committee to a skeleton." Hon. T. A. Crerar suggested the postponement of the Bill until another Session when the Act of 1918 could be revised and modified to meet the changed conditions. The Opposition to the Bill included all the Liberals and Progressives and Independents in the House; Hon. Charles Murphy was

vigorous in his protest and declared that "all the resources of Parliamentary procedure should be used" to prevent it going through. The Amendment was defeated by 72 to 57 with 32 pairs recorded. The Bill was then referred to a Special Committee, where it was discussed at length and in the main the Opposition won its way. The Government withdrew certain clauses and the new exemptions of the Act from Civil Service Commission jurisdiction were, finally, limited to Government railways and His Majesty's Canadian ships; appointments to Royal Commissions and Boards and as Deputy Heads of Departments were left in the hands of the Government; the Commission was instructed to prepare and maintain a special list of persons in receipt of pensions for services in the War and, in all examinations for entrance into the Civil Service, the persons named on such list (possessing the necessary qualifications) were to stand in order of merit on the list of successful candidates above all others; the provisions as to age limit and physical requirements were not to apply to persons of Military and Naval Service; promotions were to be made for merit by the Commission upon such examination reports, tests, records, ratings or recommendations as the Commission might prescribe; the Commission was to report annually to Parliament. The Bill passed, finally, with one important new provision as follows:

> In any case where the Commission decides that it is not practicable nor in the public interest to apply this Act to any position or positions, the Commission may, with the approval of the Governor-in-Council, exclude such position or positions in whole or in part from the operation of the Act, and make such regulations as are deemed advisable prescribing how such position or positions are to be dealt with.

The Lake of the Woods Control Board was established by a Bill which Mr. Premier Meighen described on Apr. 13. There had, originally, been a proposal for concurrent legislation in the matter but the Ontario Government had declined to put the Bill through its Legislature and the Dominion Government decided therefore, to establish, permanently, a Board which had, since 1919, been acting under Orders-in-Council—with W. J. Stewart and J. B. Challies of Ottawa Departments representing the Dominion and L. B. Rorke and H. G. Acres representing Ontario. Mr. Meighen pointed out that there were certain dams and power developments along or near the International boundary of the waters flowing into the Lake of the Woods; also in the Winnipeg River flowing westerly and northerly out of the Lake into Lake Winnipeg; there was much power developable along the English River which flowed westerly into the Winnipeg River, and joined it about 50 miles west of the Lake of the Woods; "The amount of developable power (in Ontario) is, I think, about 100,000 horse-power on the Winnipeg River, and on the English River nearly 140,000 h.-p., but the amount of developable power in Manitoba is 500,000 h.-p. Much of the Manitoba power is already developed."

An Act respecting the Lake of the Woods and other Waters was passed after a non-party debate and division, on May 31, when Mr. Meighen pointed out that :"In this water basin there may be said to reside four important factors or responsibilities: (1) it is an international body of water; (2) having included in it the outlets, it is also interprovincial; (3) it is a navigation basin; and (4) it is the source of very large power possibilities." Under its terms the Governor-in-Council was given power to make and enforce regulations as to dams, structures and such other works in these waters as would (a) secure the most dependable flow and beneficial use of the waters of the Winnipeg River and of the English River severally; (b) regulate and control the outflow of the waters of the Lake so as to maintain its level in accordance with the Report of the International Joint Commission of June 12, 1917, or between such elevations as might be agreed upon by the United States and Canada; (c) regulate and control the outflow of the waters of Lac Seul in a similar way. The Opposition leader (Mackenzie King) opposed the Bill and F. F. Pardee denounced it as "vicious in every sense of the word" and as brought in for the purpose of enriching another Province (Manitoba) at the expense of Ontario; Mr. Crerar supported it and some Conservatives, like F. H. Keefer, opposed it. The Government majority on 3rd reading was 96 to 52.

Mr. Doherty, Minister of Justice, carried a Bill which authorized and ratified, on behalf of Canada, the carrying into effect of the Protocol of Dec. 16, 1920, establishing a Permanent Court of International Justice under the auspices of the League of Nations. An Act was passed to repeal the Conservation Act and to make provision for the carrying on, by the appropriate Department of Government, of the necessary services hitherto conducted under the Commission of Conservation. A Bill to consolidate the Income Tax Act and to regulate and enforce payment of taxes was passed; the Canada Temperance Act was amended to provide that recent Provincial Referenda should not be upset by reason of technical irregularities. The Currency Act, the Statute relating to Corrupt Practices at Elections, the Winding-up Act, the Bankruptcy Act, the Chinese Immigration Act, the Dominion Elections Act, the Gas and Gas Meters Act, the Inland Revenue Act, the Judges Act—as to salaries and allowances—the Juvenile Delinquents Act, the Opium and Narcotic Drug Act, the Patents and Pension Acts, the Post Office and Prisons' Acts and the War Revenue Act, were variously amended. A Bill was passed creating a Department of Customs and Excise and the Immigration Act was amended to authorize the Minister to appoint Boards of Enquiry at Ports of entry, enacting severe penalties for any Company or official assisting in the evasion of the Act and authorizing the Government to make regulations as to possession of money or passports by immigrants.

Mr. Doherty's amendments to the Criminal Code covered a wide range. Possession of a bomb, grenade, etc., without lawful excuse was made an indictable offence liable to 7 years' imprisonment; aliens were forbidden to carry revolvers or firearms of any kind without a permit; the R.C. Mounted Police or other Police Magistrates, etc., were authorized to grant licenses to carry such arms; any intoxicated person driving a motor vehicle was made guilty of an offence and liable to imprisonment for varying terms; whipping was made a punishment for certain offences; anyone found guilty of stealing a motor car or automobile was to be sentenced to not less than one year's imprisonment; playing "three card monte" and similar games in public places was made an indictable offence liable to 3 years' imprisonment; wilfully burning any chattel valued at $200 or more became an indictable offence liable to 5 years' imprisonment.

Other incidents of the Session included the appointment of A. S. Campbell as Chief Editor of Debates or *Hansard* in place of the late T. P. Owens; the visit of a large contingent of Senators and members of the Commons—with press representatives—to Montreal on May 5 for the purpose of inspecting the Harbour Works; the statement on Dec. 14 that there were in the Senate 4 members appointed by the Macdonald Administration prior to 1896, 29 by the Laurier Government, 30 by that of Sir R. Borden, 18 by the Borden Unionist Government and 14 by Mr. Meighen. The Bill to establish a Research Institute was held up in the Senate but a sum was put into the estimates to carry on existing work in this connection. G. W. Parent of Quebec again urged his motion (Apr. 4) of the 1920 Session that "an indemnity be paid the innocent victims who, during the so-called Quebec riots of 1918, have either been killed or wounded by the soldiers of His Majesty"; H. C. Hocken, Grand Master of the Orange Lodge, denounced the proposal and Mr. Doherty, Minister of Justice, stated that there was "no basis of legal responsibility" so far as the Government was concerned; Hon. Mr. Lemieux urged a "compassionate allowance" for the victims and the motion was negatived on division.

Mr. Lemieux on Mch. 21 moved a Resolution declaring that "Ministers of the Crown should be permitted to sit in either Chamber, whenever measures and policies are introduced affecting their respective Departments." He made an interesting case for the proposal and Mr. Meighen expressed approval of many of his points; practically, however, it was a question if the House had power to act by mere Resolution on such an important point. Rt. Hon. Mr. Doherty thought that it involved "a fundamental change in our system of Government" and in British Constitutional practice. Mr. Mackenzie King favoured the principle but deemed further consideration advisable; eventually the motion was withdrawn.

Canadian Nationals: Citizenship and Nationality. Under legislation introduced by Mr. Doherty, Minister of Justice, in the Commons on Mch. 1st, an important Act was eventually passed defining what a Canadian National, or citizen, was—as apart from or in addition to his position as a British subject. In his brief explanation the Minister stated that: "The necessity for such a definition results, in a large measure at all events, from the fact that under different measures adopted in connection with the carrying out of the operations of the League of Nations, there are provisions made defining certain rights and privileges which may be enjoyed by the Nationals of the different members of the League. Under those circumstances it is necessary, I think, that we should make a definition by statute so that the world may know who is, and is recognized as, a Canadian National." The chief definitions, as finally passed, were as follows:

1. (a) Any British subject who is a Canadian citizen within the meaning of the Immigration Act, Chapter 27 of the Statutes of 1910, as herebefore amended.

(b) The wife of any such citizen.

(c) Any person born out of Canada whose father was a Canadian National at the time of that person's birth, or with regard to persons born before the passing of this Act any person whose father at the time of such birth possessed all the qualifications of a Canadian National as defined in this Act.

2. (a) Any person who by reason of his having been born in Canada is a Canadian National, but who at his birth or during his minority became under the law of the United Kingdom or of any self-governing Dominion of the British Empire, a National also of that Kingdom or Dominion, and is still such a National, and

(b) Any person who, though born out of Canada is a Canadian National, may, if of full age and not under disability, make a declaration renouncing his Canadian nationality.

Lucien Cannon (Mch. 10) made the following comment: "I understand that this Bill is a very important one in that it gives to Canadian citizens what might be called a separate status from that of a British subject. Has this Government in any way, shape or form conferred with the British authorities, formally or informally, with regard to this measure?" The Minister's answer was in the negative. Major T. A. Vien objected to "a definition which would allow a person to become a Canadian citizen without at first giving up the domicile that he had in any other country, be it France, Belgium, England or elsewhere." The Minister, in reply, pointed out that: "All that is required to become a British subject is that you should reside in this country for five years. The question of domicile is not raised at all; there is no requirement of any kind of domicile. We have gone further in our definition of Canadian citizenship than is necessary to be naturalized as a British subject." He stated that no other part of the Empire was taking this or similar action. In the succeeding debate he stated that the Bill gave no rights; it simply legalized a definition. D. D. McKenzie (Lib.) did not like the Bill and described the Minister of Justice

as, practically, a Nationalist: "To be a Canadian citizen and a British subject is good enough for me, and I do not find it necessary to go to France for any definition of what I am." In further discussion Mr. Doherty stated that: "The British Nationality Act, which we have enacted also, provides how a man can throw off his quality of British subject. This Act does not touch that in the slightest. A man would lose his Canadian nationality when he threw off his quality of British subject, but his merely throwing off his quality of Canadian National does not affect his quality of British subject at all." The Bill passed in due course and became law.

Bye-Elections of the Year. In view of the possibility of a General Election these contests aroused much interest. At the beginning of the year a bye-election took place in West Peterborough through the retirement (July 8, 1920) of J. H. Burnham (1917 majority, 3,418) a sort of Conservative free-lance in the House who again became a candidate. Mr. Meighen and the Government, no doubt, expected to hold this industrial centre and the Premier on Jan. 10 addressed a mass-meeting with a definite appeal for "The Tariff and Protection"; Sir George Foster spoke on the 21st and made the point that out of $1,455,000,000 of field crops in the past year only $271,000,000 worth had gone outside the Home market; the Liberal leader, Mackenzie King, spoke on the 22nd and alleged that great corporations held the Government in their hands with funds being poured out of their treasuries in order to hold these monopolies a few years longer. On Feb. 7 George N. Gordon, a young and popular Liberal and a lawyer, was elected by 1,289 majority over Roland Denne, the Government candidate. The other candidates were J. H. Burnham (Ind. Con.), J. C. Campbell, U.F.O., and T. J. McMurray, Labour; the Farmer candidate swept the rural districts.

The next contest was in Medicine Hat, vacated by the death of Rt. Hon. A. L. Sifton, Liberal-Unionist, who had been elected in 1917 by 3,301 majority; the candidates were Lieut.-Col. Nelson Spencer, ex-M.L.A., for the Government, and Robert Gardiner, of Excel, for the United Farmers. The latter's Manifesto to the Electors declared for the U. F. A. and the platform of the organized farmers of Canada. He had stood in 1916 for the exemption of all soldiers' lands from all taxes during the War. The Hon. T. A. Crerar and N. P. Lambert spoke for Mr. Gardiner on June 15; the former urged Reciprocity with the United States, a suggestion which was greeted with thunderous applause, and the development of trade through the removal of high protective duties; Mr. Crerar also spoke at Irvine and declared that Col. Spencer stood for a system which aimed to perpetuate $13 shoes and $1 cow-hides—from which 10 pairs of shoes could be made.

The Regina *Leader* (Liberal) urged its party to support Mr. Gardiner; T. M. Tweedie, M.P., (Cons.) charged Mr. Gardiner

with having accepted the Recall and signed a letter of resignation for the U. F. A. officials (June 21); Col. Spencer had the support, also, of Senator Robertson, Minister of Labour, H. H. Stevens, M.P., Dr. W. D. Cowan, M.P., and other Western members. Dr. Michael Clark, Mrs. L. C. McKinney, M.L.A., Alex. Ross, M.L.A. (Labour) of Calgary and many others, supported Mr. Gardiner who, on June 27, won a sweeping victory and a majority of 9,764, or 13,133 to 3.369 votes. The Liberal and Progressive press of the country united in describing the result as an overwhelming defeat for the Government and an imperative reason for an appeal to the people. The Conservative view was voiced by the Ottawa *Journal* (June 29): "The Liberals dared not nominate a candidate, and the Grain Growers' candidate, backed by the Labour 'Reds,' and the Liberals, has swamped the Union candidate."

In the County of Yamaska, Que., an election took place on May 28 to fill the seat vacated by the death of Oscar Gladu (Lib.) elected in 1917 by 3,145 to 468. The candidates were W. E. E. Aimé Boucher (Lib.), Jos. Lambert, United Farmers' Party, and A. A. Mondou (Con.). Mr. Mondou had been a Nationalist, a follower of Bourassa and M. P. for the County in 1911-17; he now claimed to be an independent Protectionist with liberty of action, if elected, and the proposal to abolish the Military Service Act which was still on the statute book. An immense meeting, said to number 15,000, heard the candidates on May 14 at St. Francois du Lac, with addresses, also, by Hon. R. Lemieux and Ernest Lapointe. In his speeches Mr. Mondou denied being the Government candidate; he was an old-time Conservative, opposed to Reciprocity and Free Trade and, also, to the party which had brought in Conscription as "a punishment for Quebec's anti-Imperialism." A statement made by Hon. C. C. Ballantyne in the Commons (May 11) that Mr. Mondou was the Government candidate was a vital issue in the contest and at the various joint meetings addressed by the two rival candidates—the Farmer had no real chance. Both denounced Conscription, both eulogized Laurier, but Mr. Mondou stood for Mr. Meighen's Tariff policy, for conciliation and an ending to Quebec's Federal isolation. M. Boucher, however, was elected by a majority of 1,643; the Farmers' candidate only polled 467 votes. *La Patrie* (Ind.), *Le Presse* (Lib.), *Le Devoir* (Nat.), all united in declaring that the Province was not yet ready to forget the past or the Borden-Meighen policy of Conscription. It was against the Government.

On the same day York-Sunbury, which included Fredericton, the capital of New Brunswick, elected a successor to the late H. F. McLeod with his Conservative majority of 3,937 in 1917. The candidates were R. B. Hanson, K.C., Fredericton, for the Government, and E. W. Stair (Prog.) for the Farmers' party. Mr. Crerar addressed a meeting for his candidate (Apr. 28), attacked the Government as having no mandate and advo-

cated Tariff revision downward with removal of the Tariff as the ultimate goal. Mr. Meighen addressed two meetings on May 23, urged Protection, and declared that his opponents did not care a whit for Canadian industries. Mr. Hanson was elected by 947 majority with the rural districts voting for the Progressive. Meanwhile, Sir Thomas White had, on Apr. 6, resigned his seat in Leeds; Hon. N. W. Rowell on June 2nd announced his retirement in Durham and J. A. Maharg resigned his seat at Maple Creek, Sask., on accepting a place in the Provincial Government. West York was also vacant at this time through the death of T. G. Wallace, and St. Antoine, Montreal, by the retirement of Sir H. B. Ames.

Elections for these seats were, however, postponed though on Mch. 29 a vigorous debate occurred in the Commons as to the existing vacancies. Initiated by Mr. Mackenzie King, he declared that: "The right of representation involves the right of the people to participate in the making of their own laws, and in the control of taxation. x x x The attitude which he (Mr. Meighen) and his Government have taken in the matter of the vacancies which at present exist in the representation is an open defiance of these two political maxims and of the fundamental rights of the people of this country." The Opposition Leader finally moved a Resolution declaring that writs should be issued at once and elections held in these vacant seats. The Premier, in reply, pointed out that by the enactment of 1919 the Government was given a discretion of six months in respect to all vacancies and had a perfect right to use that limit of time; he, also, charged the Opposition with wanting to get the Government members away in bye-elections while, at the same time, refusing pairs. After a considerable debate, the motion was lost by 89 to 58.

The Government Policy Toward Labour; Senator Robertson and His Department.

It was a difficult year in Labour matters because of the re-adjustments in prices and wages and the unemployment incidental to all periods of depression. Yet there was in Canada a general spirit of conciliation and the work of the Labour Department was of special interest and importance. The Report of the Minister for the year ending Mch. 31, 1921, showed that decline of employment began in October, 1920, and that its volume steadily increased until the number out of work was estimated at 200,000. At the same time, an official estimate of unemployed in the United States placed the number, when at its highest level, at 5,750,000, and the returns for Great Britain gave a total, there, of over two millions. An equal proportion in Canada, as in these countries, would have given over 400,000 men out of work.

The Government at this time undertook, in view of the special conditions, to become responsible for the repayment to a municipality of one-third of any money expended for the relief

of workers unable to obtain employment and in necessitous circumstances; the Federal contribution was not conditional but the Government indicated a hope that the Provincial Governments would contribute another third and several Provinces did accept the proposal. By Mch. 31, 1921, $343,036 had been distributed. Meanwhile, the Department was (1) pursuing active enquiries into the question of unemployment insurance and old-age pensions; (2) administering the Industrial Disputes Investigation Act with 37 Conciliation Boards established during the year; (3) administering the Conciliation and Labour Act, the Fair Wages Resolution, the Employment Offices Coordination Act, and the Technical Education Act; (4) publishing the *Labour Gazette*, a valuable monthly periodical, an elaborate annual Report on Labour Organizations in Canada, and one on Labour Legislation; (5) participating, through the Minister, in the Governing Body of the International Labour Conference constituted under the Versailles Treaty.

Early in 1921 the Department published a Report on the operation of the Canadian, British and American Joint Councils of Industry. In Canada the number of employees coming under these Councils, or Committees, was 145,000 on July 1st, 1920, The objects aimed at, as reported to the Department, were, generally speaking, as follows: (1) To provide means by which employees could crystallize their thoughts and present their views to the management with respect to wages and working conditions, and to provide the Management with a means by which it could better know the preferences and appreciate the points of view of the workers; (2) to provide means for exchanging ideas and suggestions and to develop further a spirit of co-operation. Some of these bodies were charged with the administration of trust funds and sickness benefits; others with questions of policy relating to wages, hours, employment, working conditions, work practice, safety, sanitation and health. Amongst the industries and interests concerned were the following:

Abattoirs
Agricultural Implements
Automobiles
Bridge and Structural Iron
Brush Manufacturing
Building and Construction
Civil Service of Saskatchewan
Clothing
Engineering
Oil
Packing
Railways
Rubber
Telephones
Woollen Goods

The case of Labour was variously placed before the Government during the year. On Jan. 3rd Tom Moore and P. M. Draper, representing the Trades and Labour Congress and, it was claimed, 200,000 workers organized into 2,000 local unions, waited upon the Tariff Commission at Ottawa—including Sir Henry Drayton and Hon. G. D. Robertson, Minister of Labour—and presented an elaborate statement declaring (1) that the organized workers of Canada believed in the utilization of natural resources and their conversion from the raw state to the

final manufactured one, within the boundaries of Canada; that (2) they believed the creation of an industry called for investment not only of the shareholders' money to build and equip the factory but, also, by the workers themselves, in transporting their household effects and homes to a close proximity to the industry or, in many cases, investing their all in a plot of land or a house, with the expectation of securing steady employment; that (3) Canada was placed in the centre of competition with the United States and its huge developed industries turning out products in the mass and with a great home market fully protected, while, to the East, there was Great Britain, the workshop of the world, with a century of industrial development behind her. Their conclusions were specified as follows:

1. Industries enjoying Protection should be compelled to absorb all available labour in Canada before employing or recruiting employees from other countries, and the Immigration and Alien Labour laws be amended accordingly.
2. The Labour Department should have power of investigation and control over the conditions of employment of workers in protected industries.
3. Protection should never be so high as to create a monopoly and remove all incentive for initiative and improvement on the part of the management.
4. The Government should have full control over the capitalization of industries under Protection, and thus prevent watering of stocks and cutting of melons.
5. Employers engaged in an industry generally needing Protection, but who have themselves reached a stage of development where they no longer need it and desire to be relieved of the above regulations, should be enabled to do so by the payment of an Excise Duty on their products equal to the amount they would have benefitted by the Tariff.

A controversy developed at this time between the Dominion Government and the Trades and Labour Congress as to rates of wages payable at the Dominion Ship-building Yards in Toronto. Mr. Meighen, in a letter dated Jan. 18, stated that the tenders received by the Department of Marine for the completion of two ships in these yards had made it necessary to protect the public interest by fixing the rate of wages to be paid and a scale, "quite above the average" of that paid in other yards, was fixed. This was regarded by the Labour organizations as establishing a minimum wage which, also, was declared to be under the current local rates. This the Premier denied to be a fact and, on Jan. 22, repeated a statement that: "If the workmen concerned, in Toronto, deem the carrying on of the work at prices now fixed is prejudicial to their interests, the work will be closed down until 1921 scales have been fixed and then the Government would adopt the new scale, whatever it might be." Mr. Moore, as President of the Congress, replied on the 24th denying that prevailing rates were lower than in 1920 and declaring the decision unjust and arbitrary; the men remained on strike.

On Feb. 8 Tom Moore, President of the Trades and Labour Congress, presented the Government with a series of requests which included: (1) An eight-hour day and (2) unemployment

insurance based on the creation of a Federal Fund from which payments would be made to unemployed and under-employed persons—the Fund to be raised by assessment on the payrolls of undertakings where the workers were covered by such Insurance; (3) repeal of the Act under which British-born Canadians could be deported while European nationals were relieved from such action; (4) establishment of a Central Empire Immigration Board which would prevent misrepresentation by booking agents, and by other interested parties in Great Britain, as to conditions and opportunities in Canada; (5) abolition of the right to recruit labour abroad and limitation of Oriental immigration to one per 1,000 of the population; (6) recognition of Collective bargaining and representation of workers on the National Railways Board; (7) establishment of national and departmental councils, after the Whitley plan, in the Civil Service; (8) repeal of Criminal Code Sections dealing with sedition, seditious intention, seditious libel and conspiracy, on the ground that other sections of the Code provided adequate protection; (9) repeal of the clause of the Franchise Act prohibiting contributions from trade unions to Election campaign funds.

Other proposals were the making of Federal election day a public holiday, holding Elections under Proportional representation, legislation to encourage co-operative wholesale societies, public ownership of unappropriated coal and oil fields, registration of union labels, and decreased military and naval expenditure. These requests were submitted to the Cabinet on Feb. 19. The only new legislation promised was an amendment to the Immigration Act providing that accredited officers of Trades Unions should not be included as to money regulations in the Immigration class; a Conference on unemployment insurance was suggested and arranged; an appointment on the re-organized National Railway Board was promised.

Senator Robertson during this period faced a serious controversy over the question of religion in Labour organizations. On Mch. 23 a Delegation from the National Catholic Labour Unions of Quebec Province, representing over 40,000 members and lead by Abbé Fortin of Montreal, waited upon the Minister of Labour and asked for representation at the coming Building Trades Conference in Ottawa. The Chairman of the deputation charged the Department with recognizing only the International trade unions and urged that an equal consideration be given his organization; he contended that the Labour section of the Versailles Peace Treaty made provision for equality in treatment of Labour organizations. The more general requests were that Federal aid be given to the Shipbuilding industry and representation on all Industrial Commissions of enquiry; that all official documents used in Quebec be printed in both languages; that Proportional Representation be established in all elections and a Commission appointed to study the question and submit a Report; that all undue war profits be confiscated and an

amendment to the Housing Act passed whereby money would be loaned at 3 per cent. to individuals instead of the current rate of 5 per cent.

The Minister asserted that the Building Trades Conference had been organized by members of the International unions and of the Builders and he could not dictate as to inclusion of a third organization. He explained that the provision in the Peace Treaty was that each country should recognize the Associations of employers and labour which gave each class the greatest representation. In Canada such organizations were, respectively, the Canadian Manufacturers' Association and the Dominion Trades and Labour Congress. Mr. Robertson was further reported as saying that: "If it once gets in the mind of the people that in your Province for a man to get along in his work he must accept a certain religious guidance, it will not be conducive to the improvement of relations between your Province and other parts of the Dominion."

The Montreal *Gazette* (Mch. 24) denounced the Minister and his reply as unduly favouring International Unionism, and Mr. Robertson replied at length in the issue of Mch 31. He defended the general status and operations of the Trades and Labour Congress of Canada and its affiliation with the American body; stated that the last meeting of the Congress at Hamilton had delegates representing 88,949 organized workers and members in Quebec Province; quoted the platform of the National Catholic Union to prove its religious affiliations and claimed that "the purpose is Church control of an organization of industrial workers" with no Protestant eligible for membership. The *Gazette* responded at length and asked if the National Catholic Unions had not the right to be Catholic, the right to be organized, the right to be represented in national meetings with other unions; whether even clerical control was not better than international control by foreign office-holders! President Moore and other officials of the Congress eulogized Senator Robertson for his refusal, as Mr. Moore put it on Apr. 2nd, to "mix up religion with the Labour movement."

In the Commons on Apr. 6 Ernest Lapointe brought up the subject, reviewed the reported proceedings of Mch. 23 and presented an elaborate argument for the rights of Quebec Provincial unions: "When reference is made, in the statutes to Labour Union, it is never said that it must be an International Union. It is not specified what sort of a union it has to be in order to get recognition from the Government or the Department of Labour." He claimed that the Minister of Labour was quite entitled to personally prefer the International Union, but acting as the head of the Department of Labour, he had no right to discriminate against the organization in Quebec or in any other section of the country. Mr. Meighen followed in a careful and able defence of his Minister of Labour. He submitted a preliminary review of the two classes of Unions in Canada—

one with no distinction of race, religion, or politics, and with close international relations; the other with obvious religious and racial affiliations and vigorous opposition to internationalism.

He eulogized Senator Robertson as actuated by a sincere desire to advance the interests of all labour and sympathies strongly with the workers of the country—tempered by a spirit of fairness and a loftiness of view; he stated that the Association of Builders and Contractors and the Association of Building Tradcs had asked the Minister to preside at their coming Convention and an officer of this Department to send invitations to their nominees and that the Minister had no authority to invite any other organization whatever. He declared that denial of Government recognition to either Labour organization was an impossibility and a position not taken by Mr. Robertson or his Department. Other speakers followed and H. E. Lavigueur of Quebec City denounced the Minister's action as "an insult to our race and religion." The debate closed after a few words from the Minister of Justice.

Meanwhile, on Feb. 21-22, a Conference on Industrial Relations had been held at Ottawa. It was called by the Minister of Labour and was attended by representatives of a number of the larger employing Companies in Canada which had established Joint Councils with their employees; the spokesmen for the respective employers were for the most part Company officers in charge of industrial relations. The latter included F. L. Riggs, Gutta-Percha & Rubber, Ltd., Toronto; P. F. Sinclair, Imperial Oil, Ltd., Toronto; F. J. Gernandt, International Harvester Co., of Hamilton; H. H. Stedman, Swift-Canadian Co., Toronto; R. M. Olzendam, Spanish River Pulp and Paper Mills, Ltd., Sault Ste. Marie; George Valentine, Massey-Harris Co., Ltd., Toronto; W. M. Gray, Gray-Dort Motors, Ltd., Chatham; J. H. Frye, Canadian Consolidated Rubber Co., Ltd., Montreal; J. D. Jones, Algoma Steel Corporation, Sault Ste. Marie; W. H. Winter, Bell Telephone Co., Montreal. There were a number of others, representing different elements in this work with, of course, the Deputy-Minister of Labour, F. D. Acland, and his Assistant, Gerald H. Brown, who acted as Chairman in the absence of the Minister.

In his address Mr. Robertson referred to the Government's labour policy, its Royal Commission of 1919 and the work of his Department; mentioned the fact that A. H. Young, in charge of Industrial matters for the International Harvester Co. of Chicago, and C. S. Ching of the U. S. Rubber Co., New York, were present; reviewed briefly the present-day menace of Socialism and the use of the Third International, which he described as an organization which proposed by force of arms to destroy capital: "They think that before that can be done the International trade union movement throughout the world, which has for its object co-operation between the workman and

the employer, must be destroyed." Addresses followed from Mr. Young, Mr. Ching, W. M. Gray, P. F. Sinclair and many others; they described Labour relations, experiences, development, operation of the Councils, etc., as they had seen them in various places and amid varied conditions. There were no Resolutions and the Minister, in concluding the Sessions, was explicit: "If the Industrial Council plan had not been brought into existence, I am very sure that, to-day, our industrial difficulties would be much greater than they are, and that because of it, thousands of men in this country and hundreds of thousands of men in other countries have had their viewpoints altered and have seen and realized the difficulties with which their employers have to contend."

On May 3rd the much-discussed Convention of the Building and Construction Industries—including employers and employees—was opened at Ottawa with Hon. G. D. Robertson in the chair, and E. McG. Quirk as Vice-Chairman. The Minister of Labour spoke in terms of moderation and of regard for the duties of employers and needs of the employees; he referred to the current dumping of cheap German goods in Canada. Tom Moore, of the Labour Congress, urged extension of the principle of arbitration; like the Minister, he advocated conciliation and co-operation. The ensuing discussions turned upon the employers' demand for a Dominion-wide reduction of wages as essential to the continuance and development of the Building industry in times of deflation, and the employees' refusal to admit the necessity. The former represented their views in a Resolution urging an all-round national reduction of wages from 10 to 25 per cent. They pointed to the fact that in March, 1921, contracts let for building totalled only $36,800,000 in Canada, as against $55,700,000 in the previous year; that construction contracts all over Canada in the three months of 1921 were 35 per cent. lower than in the same three months of 1920; that unemployment in the building trades was practically 32 per cent. in Canada and that material costs had been reduced 20 per cent.; that in 1920 there were 68,833 marriages in Canada with 11,200 homes provided for these new couples. Labour's Resolution stated that "in the matter of wages and their adjustment there had never been any national standard established and that any adjustment actually necessary should be arrived at by special agreement in the localities concerned." The employers claimed that labour was 35 per cent. of the total cost of construction and that in Detroit there had been, recently, a reduction of 25 per cent. in wages. After a prolonged debate and, for a time, deadlock in decision, the following compromise was adopted unanimously:

> In our best judgment, a moderate and reasonable adjustment of wages should be agreed upon without further delay in large centres where an abnormally high peak has been reached and where no settlement has yet been accepted, and that such agreement should be fixed

upon for a period of 12 months, and, further, that we strongly urge the immediate resumption of negotiations with a view to mutual agreement and that failing mutual agreement, voluntary arbitration be entered into.

Following this the Minister on July 13th addressed a Memorandum to the various Provincial Governments urging a survey and investigation of labour conditions to be succeeded by a Conference with the Federal Government and preparation to meet any emergency which continued deflation might develop; on Aug. 19th Mr. Robertson stated that the past year's policy as to municipal relief for unemployment was still in force and "any municipality which finds it necessary to grant relief will be refunded one-third of its outlay by the Government." On Oct. 5th the Minister issued an elaborate statement as to existing conditions and stated that, up to date, $600,000 had been expended under the above plan, 12,165 unemployed and disabled soldiers aided at a further cost of $500,000; since July unemployment had steadily diminished though there would be much in the coming winter. He outlined, in specific terms, certain arrangements for co-operation with municipal and provincial authorities based largely upon the policy of 1920-21. A word may be added as to the Conciliation work of the Department. In the fiscal year 1920-21 there were 66 applications under the Industrial Disputes Act and 38 Boards granted; since 1907-08 there had been 509 such applications and 371 Boards; in each year, in the current fiscal year, and later, there was much work done by the Minister and his officials in conciliation and settlement of strikes which the public knew little or nothing about. Some of the most useful work was done in this way.

TRANSPORTATION INTERESTS AND PROBLEMS
AND
GOVERNMENT POLICY

The Railway Problem in 1921; General Policy of the Government.

This problem touched every angle of Canadian life during 1921; it was a national, political, financial, industrial, agricultural and business issue, all in one; it involved a large addition to National liabilities, and questions of freight rates, of increased taxation, of lower wages; it touched almost every phase of reconstruction and deflation conditions. The Hon. J. D. Reid, as Minister of Railways and Canals, had to deal with deficits in the Intercolonial, the Canadian Northern, the Grand Trunk and the Canadian National Railways as a whole; the Government had to meet these deficits and the electorate in a general election; the National ownership policy had, itself, to face a considerable and influential element of hostility in the business life of the community. Dr. Reid's Report for Mch. 31, 1921, showed a total mileage under operation by the Canadian National Railways of 17,477; this included the Canadian Northern, the Canadian Government Railways proper—Intercolonial, P. E. Island and certain small Branch lines—the Quebec and Saguenay, the St. John and Quebec, the Transcontinental (from Moncton to Winnipeg), the Grand Trunk Pacific, the Hudson Bay, the Lotbiniére and Megantic, the Caraquet and Gulf Shore and the Cape Breton lines; the total operating deficit of these Railways for the 12 months of 1920 had been $36,842,970—not one of the 15 lines showing a surplus.

The official statistics for the year ending Dec. 31, 1921*—dealing with the Railways of Canada which had annual operating costs of $500,000 or over and involving 95 per cent. of all lines in the country—showed that early in the year they had cut maintenance expenses, and that for no month after January did they reach the 1920 level. Transportation expenses, while heavier from January to April, inclusive, were lower for May, and with the wages' cut in July, continued to diverge till the maximum difference of over $7,500,000 was reached in December. Total operating expenses for 1921 and 1920 changed relative positions in March, and the 1921 expenses continued considerably below the 1920 figures each month thereafter. The upward trend of the revenues in June was due to the seasonal increase in passenger traffic, which reached its peak in August. Freight traffic began increasing in July and reached its height in October. The general particulars in tabulated form, were as follows:

*Note.—Subject to revision but with, usually, very slight changes.

Particulars, Dec. 31st.	1921	1920
Operating Revenues		
Freight	$315,288,485	$337,653,397
Passenger	88,935,231	101,696,971
Mail	7,938,607	3,882,839
Express	15,615,202	15,271,415
All Other	22,263,532	24,904,410
Total Operating Revenues	449,141,059	483,409,035
Operating Expenses		
Maintenance of Way and Structures	85,116,178	98,342,299
Maintenance of Equipment	96,397,849	114,875,332
Traffic	11,239,880	9,545,789
Transportation	205,209,886	228,835,695
Misc. Operation	6,091,895	7,865,033
General	11,659,482	11,719,284
All Other	1,898,937	621,312
Total Operating Expenses	413,816,234	470,562,122
Net Operating Revenue	35,324,824	12,846,913
Ratio of Operating Expenses to Revenue	92%	97%
Mileage and Operating Statistics		
Average No. of Miles Operated	38,274	37,857
No. of Tons Moved (Revenue)	95,319,587	118,279,158
No. of Tons Moved (All Freight)	112,004,965	133,690,078
No. Passengers Carried	44,591,417	48,985,259
Total amount of Pay-roll	239,851,718	287,843,361
No. of Tons Moved one mile (Revenue)	26,219,571,240	31,413,229,797
No. of Tons Moved one mile (All Freight)	29,365,356,584	34,817,079,192

The fuller and more detailed statistics for the calendar year 1920, issued in November, 1921, showed 57 steam railways in Canada with 33 paying operating expenses and 24 having a deficit; the corporate loss of 38 lines totalled $79,941,157 in which the Canadian Northern stood for $40,501,705, the Canadian Government Lines $9,432,054, the Grand Trunk Pacific $17,456,359, and the Grand Trunk $4,519,809—all Government-controlled roads; only seven of the whole number of roads paid dividends totalling $29,942,580, and of this sum the C. P. R. stood for $29,227,278. The capital of the Railways was $2,170,099,128 at the end of 1920 with $888,411,240 of this in stocks, $432,294,722 in Debenture stocks, and $846,324,166 in Funded Debt; the total aid to date given by the Dominion Government was $221,911,278, by Provincial Governments $43,469,377, and by Municipalities $16,390,673; there also were Land grants given by the Dominion and Provinces to a total of 46,537,256 acres and a Dominion purchase of Grand Trunk Pacific bonds at a cost of $33,116,000. The Guaranteeing of bonds which, in later years, took the place of cash subsidies or Land grants, was, in 1920, as follows:

Government Guarantors	Authorized	Guarantees Earned
Dominion	$238,880,792	$234,484,537
Manitoba	25,663,553	25,663,553
Alberta	59,495,000	39,633,658
Saskatchewan	47,725,000	23,170,661
Ontario	7,860,000	7,860,000
British Columbia	68,135,000	60,317,524
New Brunswick	7,871,396	7,871,396
Quebec	182,000	182,000
Total	$455,812,741	$399,183,329

In the autumn of 1921, Dr. Reid was replaced by Hon. J. A. Stewart as Minister of Railways, and in December Hon. W. C. Kennedy became Minister with more than 50 per cent. of the

railways of Canada under Government operation and control as shown in the following table:

Name	Miles
Canadian Northern System (Canadian lines)	9,652
(Including American mileage, 9,868)	
Canadian Government Railways	2,314
St. John and Quebec (leased)	172
Hudson Bay Railway (mileage under operation)	243
Transcontinental Railway (including Lake Superior Branch)	2,006
Grand Trunk Pacific and Branch lines	2,732
Grand Trunk Railway (Canadian lines)	3,611
(Including American lines, 4,775)	
Total—Canadian lines	20,730
Including American lines	22,113

Other particulars of Government lines—including those in the United States—showed, according to G. A. Bell, Deputy-Minister of Railways, 109,242 employees in 1920; a total wage and compensation bill of $164,498,926; 63,244,525 tons of freight and 28,118,249 passengers carried; a total equipment of 3,379 locomotives, 3,325 passenger train cars, 127,021 freight train cars, 5,772 work-cars. It may be noted, in passing, that the increase in operating revenue of all Canadian railways between 1916 and 1919, inclusive, was $103,233,000 or 39·67 per cent.; in operating expenses and taxes it was $153,062,156 or 80·88 per cent.; in wage or pay-rolls it was $91,689,827, or 83·63 per cent. In 1920 the total pay-roll increased from the 1919 figure of $201,-453,185 to $290,510,517 or 24·5 per cent. During that year the number of persons killed on Canadian railways was 254 with 2,330 injured.

The problems involved in the Railway conditions of 1921 were due, in very considerable degree, to the fact that during the 10 years, 1911-20, the railway mileage of Canada increased 13,081 miles and the population of its 3,000,000 square miles by less than two millions. The country was over-built in railways and the War brought construction to a stop while it threw the whole railway situation into financial confusion—out of which came Government loans, Government control, and, finally, acquisition of two out of three transcontinental lines. On top of these complications came the increasing deficits on all the large lines with the exception of the C. P. R. and the popular demand for lower rates which, naturally, would increase the deficits unless equalled by reduced expenses and wages. The capital expenditure on all Government lines to the end of 1920—exclusive of the Grand Trunk—was $418,040,888.

The Government, therefore, had to meet a huge problem, to be responsible for the running of the greatest system of Government railways in the world, to assume, as a National burden, large yearly liabilities and actual indebtedness, to hold control for the people without permitting politics to injure efficiency and independence, management and operation. The Prime Minister put the matter as follows in Parliament on Mch. 22: "The Government, two or three years ago, found itself in possession

of some 17,000 miles of railway, with all the appurtenances that go with a great railway system in these times, and with the tremendous staff of employees and all the subsidiary activities that circle around anything of the nature of the Canadian Northern or, as it is now, the Canadian National Railways. Until then this country had never faced such a problem." The plan adopted was "to try corporate operation and to give this system the same chance to succeed, as a business enterprise, that other rival or corresponding systems had the world over."

In the early evolution of this System it found itself, in 1920 and 1921, facing depression of trade and reduced shipments and the competition of the C. P. R.—a rival Railway which Mr. Meighen went on to describe as the "best managed of any great business enterprise in the world to-day." In the Commons on Mch. 17 Dr. Reid, Minister of Railways, stated the deficit on Government railways at $70,331,724—irrespective of Interest or Fixed charges on the Transcontinental and Intercolonial. He added, as to these losses, that: "I cannot see much hope of any management materially reducing the loss on Grand Trunk Pacific and Transcontinental Railways for some years, but I do feel the losses on the other portions of the road can be reduced, and must be, very materially, every year." A further problem was in the relationship of the Board, or governing body, of the National Railways to (1) the Government and (2) to Parliament.

The former issue was an ever-present one; the latter was dealt with in a House of Commons debate on Mch. 22 when Hon. Mackenzie King moved a Resolution declaring (with some exceptions) that "it is the undoubted right of Parliament to demand and receive copies of all reports, accounts, correspondence and papers in relation to the management of every Department —including the affairs of the Canadian National Railways." There were a number of speeches and the motion was defeated by 117 to 79. On Apr. 8 Mr. Meighen dealt with the matter by a Resolution (passed by 80 to 42) appointing a Select Standing Committee on National Railways and Shipping to enquire into the following questions: "(1) What information as to operation of Canadian National Railways and Shipping, as conducted by the Board of Directors and Management, should, in the public interest, be brought down in Parliament; (2) When, by what method, and under what conditions, if any, should such information be given, regard being had for the necessity of securing to Parliament and the public all facts requisite for the determination of policy (including finance), and to the Board of Directors the best possible conditions and efficiency of management; (3) what system of auditing should be adopted, and what extent of detail should be given in the Annual Report"?

The Board of Railway Commissioners: Policy and Action in 1921.

This Commission was composed, at the beginning of 1921, of Hon. F. B. Carvell, K.C., Chief Commissioner, and S. J. McLean, LL.B., PH.D., Hon. W. B. Nantel, K.C., LL.D., A. C. Goodeve, A. C. Boyce, K.C., J. G. Rutherford, C.M.G., Commissioners, with A. D. Cartwright as Secretary. Its functions were many and powers far-reaching; its decisions were subject to appeal to the Governor-in-Council, but this was rarely resorted to; its policy and powers relieved the Government of many embarrassing or difficult Railway problems. In this connection Mr. Premier Meighen stated in the Commons on Apr. 25 that the Commission was "not an instrument of government but in every respect a Judicial Tribunal with certain stated and highly-important powers." In the year 1920, according to the annual Report of the Board, it had received 73 applications, of which 45 were from Ontario and the balance from all the other Provinces; its decisions as to Level Crossings, alone, protected, between 1909 and 1920, 497 crossings by means of 443 Orders; its ordinary decisions in 1920 covered freight traffic, freight rates, passenger rates, exportation of coal, inspection of equipment, regulations for transportation of explosives, international rates, fares and charges, fuel supplies, coal-carrying equipment, charges for milling in transit of grain, construction of cattle guards, protection of passengers. The number of Orders issued in 1920 on all matters was 1,292, the number of applications made for action or judgment was 3,770, the number of tariffs received and filed was 67,653.

The Railways and the Freight Rates' Question.—The Commission and its associated Railway problems were much before the public in 1921; the question of Freight rates was one of the most conspicuous and difficult of these issues. Mr. Carvell was very frank in his statements and judgments; he expressed himself clearly and did not evade points of controversial character. The Railway Board visited the Western centres in the spring of 1921 and heard various appeals and statements as to Freight rates; outside of the Commission sittings, Mr. Carvell continued his outspoken utterances. Speaking to the Canadian Club at Brandon on Apr. 22, he described the Railway problem as more important than the Tariff or any other question before the people: "It cost $40,000,000 more to run the C. N. R. last year than was brought in, and that is no reflection on the people at the head of the Railways or on the Government. The Canadian National is a conglomeration of a lot of railways that couldn't run themselves and, therefore, had to be taken over by the Government, and if anyone thinks the Government, or any man, can take over these roads and turn them into a dividend-paying proposition in a year or so, he is much mistaken." In reference to the C. P. R., he was equally explicit as being "the finest System on the American continent." Then he turned to the West and its alleged view of railways: "I

have always felt that the true criterion of a public utility that has not the power to increase its own rates is: 'What does it cost to run the road?' However, I find here that the criterion is: 'What do cattle sell for? What does wheat realize per bushel?' Down East it would be the price realized for pulpwood."

At Victoria (Apr. 11) he told the Canadian Club that freight rates on Canadian railways were too high; that in many cases they were having an adverse effect upon business; that under existing circumstances and the McAdoo and Chicago wage Awards this could not be helped; that to force the railways to meet increased costs of operation without the privilege of raising rates or power of lowering wages would be to force the roads against the wall; that the financial stability of the C. P. R. was as important to the country as good government. He declared that the root of the trouble was in pay-rolls forced upon this country by political agitation and Labour efforts in the United States; that "the action of American labour men in putting a pistol to the head of the Canadian Railway companies and demanding that the new American wage scale, fixed under the Chicago Award, be made effective in Canada, placed the Railway companies in a most humiliating position."

As to the future: "No matter what happens, Railway labour must be reborn and an honest day's labour for an honest day's pay must be the first principle observed. Canadian labour is not responsible for the McAdoo Award, but it is responsible if it is not prepared to give honest service." His view of the Labour situation was important because it could not but affect the policy and decisions of the Board: "There are engineers and conductors to-day who are making $4,000, $5,000 and even $6,000 a year as the result of the McAdoo Award; I am beginning to be skeptical of the advisability of having Canadian unions controlled in the United States."

Mr. Carvell was unceasing in his expression of opinion along these lines. He told the Kiwanis Club, Vancouver, on Apr. 7th, that: "The people want lower freight rates, but they will not permit us to cut off costly Sunday trains. x x x Next to the unnecessary train services, the greatest factor in maintaining high rates are the wages which have to be paid as the result of the McAdoo Award of 1918, and the Chicago Award of July, 1920. There are station agents on the National Railways whose wages are from $120 to $225 a month, but who are making from $75 to $125 a week as the result of over-time." To the Vancouver Board of Trade (Apr. 12) he was equally explicit in denouncing, as on previous occasions, the Government ownership of Railways: "People are going to find out that it will cost $70,000,000 more this year to operate this toy than it will earn." As to the rest: "The people of Canada have got to have lower rates, and these rates cannot come down unless there is a come-down in the cost of operation of railways, in wages and everything else that affects the running of the roads."

Following its Vancouver visit the Railway Commission was at Calgary on Apr. 18 and heard various appeals for lower rates; H. J. Symington, K.C., of Winnipeg, on behalf of the three Western Provinces, urged reduction in rates on grain, coal and livestock. To the local Canadian Club on the 19th Mr. Carvell declared that "there must be a re-arrangement of working conditions of railway employees; a reduction in wages; a reduction in the price of coal." As to the American wage awards which Canadian railways had to adopt, he said: "The pay-roll for the Canadian National Railways prior to the McAdoo and Chicago awards was $43,265,000; the estimate for the present year is $81,347,000. The Canadian Pacific pay-roll prior to the Awards was $56,190,000; the estimate for this year is $100,000,000." Mr. Carvell was said to have refused a hearing at this place to H. W. Wood, President of the U. F. A., on the ground that his proposed statement did not bear directly upon the subject before the Commission—a remark afterwards denied by the Chief Commissioner, who intimated his willingness to hear Mr. Wood at any sitting he desired to attend; Mr. Wood dealt with the matter at Winnipeg on Apr. 21 and declared that "Mr. Carvell seems to be utterly indifferent to the welfare of the Agricultural interest and to take upon himself the whole responsibility of protecting C. P. R. interests."

Saskatoon, Edmonton, Regina and Brandon were then visited by the Commission. At Regina (Apr. 22) Hon. George Langley, representing the Saskatchewan Grain Growers' Association, read a statement protesting against the 1920 increase in rates and urging a reduction on the ground of low prices for grain, high costs of fuel, fodder and seed, inability to build farm houses at present prices; J. B. Musselman, Secretary of the same organization, declared that Agriculture itself was imperilled by existing rates and that, as to the National Railways, the solution lay in deflating the valuation of the roads to a basis where it would be possible to operate without a loss; Mr. Langley also thought a 5 per cent. dividend quite enough for the C. P. R. to pay. Manitoba and Saskatchewan urged the Board at its Winnipeg sitting (Apr. 25) to grant equalization of rates as between East and West; H. J. Symington, K.C., declared that an emergency reduction of rates was imperative and said that, for the first time in his experience, Farmers were being advised by their leaders to reduce production; lower Summer rates on Western coal were urged by several organizations. The Winnipeg *Free Press* (Apr. 26) vigorously denounced the increased freight rates as responsible: "The consequences have been working themselves out. Some of them are fairly obvious; the shrinking tonnage, the accumulations of unused cars, falling off in railway employment, the dwindling of the great tide of passengers that once filled the coaches to the roof, all the signs of a deepening and formidable stagnation of business."

There was a tendency at this time amongst Western Boards of Trade and business interests to oppose any change in freight rates because it might involve changes in the regulations as to grain-mixing privileges—with which they were satisfied. An interesting incident at this stage was the statement by H. J. Logan, K.C., at Halifax, on May 27, that in four years the freight rate on Nova Scotia coal over the Intercolonial Railway to Montreal and Ontario markets had increased 150 per cent. and that not one pound of rail-borne coal from this Province was received in either Quebec or Ontario. On June 1st a large Delegation from the Maritime Provinces—the first since 1867, in which the three Provinces had united—waited upon the Government at Ottawa and urged that the Intercolonial Railway, the only artery of land traffic connecting Nova Scotia with the rest of Canada, and the most important of the local traffic systems of New Brunswick, should be put back on the basis which was established at Confederation and be under the control of the Department of Railways.

Following this period there were some reductions. On June 14 it was announced by the Railway Board that a 10 per cent. reduction in standard passenger fares in Eastern Canada would become effective July 1st and would mean a return to the rates prevailing prior to Sept. 13, 1920. On July 28, as the result of a Conference between shippers, representatives of the Railways and the Railway Commission, a voluntary reduction in freight rates on Live-stock was announced to come into effect as soon as the new tariffs were filed; Western Canada and British Columbia local rates, prior to Sept. 13, 1920, were restored, as were local rates in Eastern Canada prior to the same date. In the autumn British Columbia Boards of Trade and the Government took up the question of alleged discriminatory freight rates against the West and in favour of the East and, on Sept. 14, the Railway Commission issued a Report upon the general subject. Mr. Carvell and Mr. Nantel recommended a reduction in freight rates of 10 per cent. except in cases where the rates had already been lowered, as in that of Live-stock or of grain from the railhead. The Chief Commissioner also recommended a 25 per cent. reduction in Pullman and parlour car rates.

In this judgment Messrs. McLean, Rutherford and Boyce did not concur. Their majority ruling was that there could be no immediate reduction in freight rates pending the decision of the special Tribunal appointed to investigate the wage question, upon the action of which much depended. This was said to have been the first time in the 18 years of its life that a majority of the Board had blocked the Chairman's decision. On Oct. 19 the Railway Board was in Vancouver and heard detailed claims by G. G. McGeer, K.C., representing the Provincial Government, that British Columbia was being unfairly treated by the Railways in the matter of mountain freight rates. Many interests and in-

dustries were heard and, on Oct. 31, the Board was in Calgary where the Board of Trade urged that "no change should be made in the present established structure of rates without due consideration being given to our position," and that, if British Columbia was granted a reduction, the same reduction should be given to Calgary. In Winnipeg, on Nov. 8, Isaac Pitblado, K.C., presented a similar view and declared that the British Columbia application for equalization of freight rates, East and West, was merely an organized effort to expand business in the Coast Province and would tend to destroy business interests and industries in Winnipeg.

Finally, on its return to Ottawa, the Commission came to a united decision in the matter and on Nov. 23 Mr. Carvell announced a general reduction of 10 per cent. in freight rates on all steam roads under the jurisdiction of the Board to go into effect on Dec. 1st. This action followed a Conference with the chief officials of the Canadian National, Grand Trunk and Canadian Pacific; the reduction was not a straight 10 per cent. off existing freight rates, but to be deducted from the increases in rates made effective by the Order of December, 1920; it would decrease freight rates to a basis of 25 per cent. in the East and 20 per cent. in the West below the rates effective prior to the first increase in September, 1920. The Order also provided for a decrease in all sleeping, parlour, and Pullman car rates of one-half of the increase granted in 1920. Following this action it became apparent that the reduction only dealt with domestic rates and not with grain for export; on Nov. 29 it was announced that, by voluntary action of the Canadian Pacific and the Canadian National lines, freight rates on grain to Vancouver for export would be lowered, and these rates also became effective on Dec. 1st. The Railway Association of Canada estimated at this time that the reductions would cut $25,000,000, annually, off the revenues of the Railways but would not, in reality, affect the individual cost of living because of being split up among billions of small and large articles carried as freight.

The Railways and Wages; The Telephone Judgment.— Meanwhile, the question of reduced railway wages had become a vital issue in Canada and the United States. With the beginning of the year a movement began in the United States to reduce wages of unskilled labour, and various Railways in March were acting upon what their managements claimed to be absolute necessity; in May the U. S. Railway Labour Board which had, under the Chicago Award of 1920, increased wages by $636,000,000, ruled that existing agreements between the Companies and their operatives must terminate on July 1st and authorized a reduction averaging about 12½ per cent. in wages to be effective on that date. A partial strike and much controversy followed but the decision stood, and on Oct. 23 the Board issued a statement showing that the average daily rate of pay for all grades of railway employees was $4.54, compared

with $2.87 in 1917. Canadian Railway interests had accepted the McAdoo and Chicago awards on United States railways; they naturally followed American action in the opposite direction. Figures compiled by Lambert Payne and quoted in the Toronto *Globe* of Mch. 4th showed that in 1910 there were in Canada 123,768 railway employees, to whom there was paid $67,167,793. This was equal to $2,717 per mile of line in operation. In 1919 employees numbered 158,777, and their compensation amounted to $208,939,995. This meant $5,372 per mile: "In other words, while gross earnings were increasing by $2,655 per mile, wages were increasing by $2,812. Put in still another way, while earnings grew in volume by 119 per cent., wages grew by 212 per cent."

A. R. Mosher, Grand President of the Canadian Brotherhood of Railway Employees, replied to this and other statements in *The Globe* of Mch. 21 by claiming that if the large salaries of Executive officers were deducted from the total, the average payment of Railway employees would be less than $2,000 a year and more nearly $1,500; he alleged that prior to the War railway wages were notoriously low and that only by persistent efforts on the part of the Railway Brotherhoods, had the level been raised; he urged that Executives as well as labourers should have their salaries cut and declared that workers should be given a directing voice in the conduct of operations. Then followed the 30-days notice from the Companies as to existing wage agreements and a sharp controversy in the press and elsewhere. There seemed to be no doubt as to the fact of wage increases, with over-time regulations, being the chief cause in higher operating costs; there also was no doubt that pre-War rates had been exceedingly low and that the average working life of railway trainmen was very short. Finally, the Companies, on July 16, put into effect a reduction running from 10 to 12 per cent. and, in September, the Railway Brotherhoods —Engineers, Firemen, Conductors, Trainmen and Telegraphers —obtained several Conciliation Boards from the Minister of Labour and there was a strenuous effort to change or amend the action of the management; agreements, however, were reached and the new rates stood without any serious strike. This reduction, no doubt, had a large influence in the Railway Commission's later decision as to reduced rates.

Meantime, this Board had been dealing with many other interests. On Feb. 2nd a lengthy judgment was issued under which the Express Companies were granted an increase of 35 per cent. on 1st class rates, 25% on 2nd class and 20% on commodify rates—including, principally, cream, fish, and fruit. In addition to the increases mentioned it was provided that the rate on all spirituous liquors was to be put as first-class. The cartage differential, at non-cartage points, was eliminated and Express charges would, therefore, be the same to all points— whether city, town or country. The increases, it was stated,

were expected to produce "only sufficient revenue to take care of operation and depreciation and provide a sufficient sum with which to pay interest on investments at 7 per cent." Before giving this decision the Board had held sittings in 18 different centres from Prince Rupert to Halifax and heard representatives of a multitude of interests.

In another judgment issued on Mch. 9, the Board granted the application of the Railway Association of Canada for permission to make surcharges on passenger traffic between Canada and the United States; this meant that Canadians purchasing passenger tickets to United States points would be required to pay, not only the usual price of the ticket, but an additional amount to cover the difference in value between Canadian and United States money. In Victoria, B.C., at the end of April, the Board rejected the application of the local Chamber of Commerce, for a transfer-track connecting the E. & N. and C. N. R. Railway systems so as to allow an inter-change of cars, the reasons being the difficult financial situation of the National lines.

Meanwhile, the Commission's enquiry into Telephone rates and conditions had lasted over three months and produced heated discussions, much legal controversy, and many interesting side-lights upon financial affairs and interests. On Jan. 5 at Ottawa G. R. Geary, K.C., representing Toronto, pressed for information as to the relation between the Bell Telephone Co. and its subsidiary, the Northern Electric Co.; evidence was adduced to prove that the American Telephone and Telegraph Co. controlled 38 per cent. of the stock of the Bell Telephone Co. of Canada and that an agreement existed between the National Electric Co. of the United States, the Northern Electric Co. of Canada, and the Bell Telephone Co., by which each was free to avail itself of the others' patents without charge; Glyn Osler, K.C., F. H. Phippen, K.C., and the Bell's General Manager, C. F. Size, produced much evidence to show that under existing circumstances of operating costs an advance in rates was absolutely essential and that $4,577,687 was the increased revenue which the Company would obtain if its application for introduction of the measured rates system was granted; expert evidence for the City of Montreal, and against an increase, claimed that the Company would, for the year 1920, have a net deficit of $1,823,-033 instead of $3,180,480, as estimated; K. J. Dunstan, Vice-President and Western Manager of the Company, stated that in Ontario (including Toronto) the waiting list of applicants had grown steadily and there were 7,510 people desiring the installation of a service who could not be accommodated for lack of equipment.

On Jan. 12 an Interim Award of the Board declared that the Company must secure information of the most definite and accurate character from the books of the Northern Electric Co.,

concerning the cost of material supplied under a contract made between the two Companies on May 27, 1914. This evidence was given on Jan. 20. W. A. Mackenzie, a Toronto broker, stated (Jan. 13) that a substantial issue of Bell Telephone bonds for a reasonably long period would retail on a 7 per cent. basis. A close, elaborate and lengthy argument by various Counsel toward the end of January closed the case. In March the official Report of the Company showed a Telephone revenue of $14,149,119 in 1919 and $16,513,384 in 1920, with total Telephone expenses of $12,213,904 and $16,295,341 respectively; after deducting Interest and 8 per cent. dividends the credit balance in 1919 was $43,116 and in 1920 there was a debit balance of $1,831,971. The decision announced by the Commission on Apr. 2nd was that the evidence did not justify adoption of the measured rate which had been proposed for Toronto, Montreal, Ottawa, Hamilton and Quebec and which would have produced $4,577,000; the Board, however, found that the present situation was an emergency one and directed that, as a temporary measure, a revised figure of depreciation should be used, that after this was done the Company would still need about $2,100,000 of additional revenue; that this could be raised by an increase in long distance charges and the service connection charge, as filed by the Company, together with a 10 per cent. addition on exchange.

Following an increase in the rates which practically guaranteed a dividend of 8 per cent. and a surplus, besides, the Bell Telephone Co., in May, issued and sold new capital stock amounting to $5,725,000 which increased its outstanding stock to $28,625,000. On July 23 a new request was filed for an increase in exchange service charges of about one-third so as to permit of extending facilities, with the claim that the deficiency under the new rates for the months of May, June and July would leave the Company behind its requirements for the year to the extent of at least $1,250,000. This aroused keen discussion and opposition and was said to mean an extra $5 per year out of the pockets of every city user of a residential telephone and over $10 a year out of every user of an individual business telephone. Hearings began on Oct. 5 and the Provincial Government and City of Toronto were vigorous in protesting against any increase with a general claim that the Company was making money and did not need it. The evidence and arguments lasted up to the end of the year; on Dec. 21 it was stated by the Company that there had been an increase in the number of Toronto telephone users from 40 to slightly over 100,000 in 42 years. The Report of the Company for the year 1921, when issued, showed a Telephone revenue of $18,561,829, and Telephone expenses of $16,519.935; after deducting Interest and dividends there was a deficit of $776,009.

The Canadian National Railways in 1921: Government Problems and Mr. Hanna's Policy.

All the Railway difficulties of the year centred in the National Lines and hampered the National management; reduced production and lower prices of farm products injured traffic operations; continued high wages added to the financial burden; the control of many lines with diversified interests or with similarity of route made the drastic economies of a C. P. R. difficult to follow; the coordination of operation was not yet complete in some important respects; the year was one of depression in trade and finance and industry with decreased tonnage, decreased traffic, and lower rates. Yet D. B. Hanna, President of the Canadian National Railways, was able at the end of the year to show increased monthly earnings, greatly curtailed expenditures and an increase in the gross earnings of nationally-owned lines from 52·21 per cent. of the Railway business of the country to 54·22 per cent.* The operated mileage of the National Railways on Dec. 31, 1920, was 17,100; at the end of 1921 it was 17,338 and included the I. C. R., the P. E. I. Railway and Branch Lines, the Transcontinental and G. T. P., the Canadian Northern and Hudson Bay.

The gross earnings of the calendar year 1921 were $126,691,455 or an increase of $1,049,703 despite a decreased traffic of 4,000,000 tons in freight and 1,715,625 of passengers; operating expenses were $142,784,357 or a decrease of $19,700,365 with a total loss on operation of $16,092,901 compared with $36,842,970 in 1920; it was claimed by the management that this record of $20,750,068 improvement in operating results during 1921 was not obtained at the expense of the property and betterments. Fixed charges of the Canadian Northern and Grand Trunk Pacific totalled $40,777,915 in 1921 as against $33,194,243 in 1920 and the increase was due, chiefly, to Interest charges; the total deficit of all the National lines was $56,673,934 compared with $67,505,059 in 1920.†

During 1921 the Government advanced to the Government Railways (I.C.R. etc.) $5,792,896, to the Canadian Northern $64,649,245—less $27,927,119 repaid from proceeds of securities —and to the G.T.P. $9,270,500. These advances were expended on Construction and Betterments, Equipment, repayment of Loans, operating deficits and fixed charges. The total of all Government advances to the Canadian Northern to the end of 1921 was $251,088,248, and to the Grand Trunk Pacific $82,480,303. It may be added, in more detail, that on the Canadian Government Railways the freight traffic decreased 21 per cent. in 1921 and Passenger traffic 17 per cent., while the total revenues showed a decrease of 8 per cent.; transportation expenses were reduced 14 per cent., maintenance expenses about 8 per cent.,

*Note.—Statement by Hon. W. C. Kennedy, Minister of Railways, in Parliament Apr. 11, 1922.

†Note.—The new Minister stated in the Commons (Apr. 11, 1922) that this total had been erroneously given as $70,331,734 owing to incomplete figures.

and the operative loss from $10,449,876 to $5,587,298. The 1921 record of the Canadian Northern showed a reduction in loss on operation from $16,440,476 in 1920 to $6,574,236 and in the operating ratio from 125·25% to 109·75%. A significant feature of this reduction was the fact that, during a year of light traffic, this System and also the G.T.P., which was operated, practically, as a Division, showed increases in the revenue ton miles and also in freight revenues. As a matter of interesting comparison, the following table compiled (1920 figures) by George W. Yates, Assistant Deputy-Minister of Railways, may be given here:

Particulars	C.P.R.	C.N.R.
Mileage in Canada	14,342	20,843
Mileage in U.S.	4,964	1,380
Total	19,306	22,223
Employees	70,053	96,874
Compensation	$104,942,104	$162,178,397
Revenue tons freight	30,160,134	56,540,290
Passengers carried	16,925,049	25,946,810
Operating Revenue	216,641,349	238,365,686
Operating expenses	183,488,304	271,369,550
Net operating revenue	33,153,044	
Operating deficit		33,033,864

Early in the year, and during its whole course, the National Railways were the subject of keen public discussion. Hon. T. A. Crerar told the U.F.A. at Edmonton on June 19 that: "I believe in National Railways and in public ownership. It is a sound principle to have public ownership of things that are natural monopolies." In outlining what he considered should be done to solve the Railway problem, he declared that Government systems should be re-valued and put on a fair basis and that the power of the Government should be used, as far as was legitimate, to provide business for them. The deficit of $70,000,000 announced by Hon. Dr. Reid on Mch. 17 widened the range of the discussion. His statement that increases in wages during 1920, the cost of fuel, equipment, material and supplies had placed the National Railways in the position that for every dollar earned they had operating obligations to the amount of $1.29 to meet, was a shock to many and the additional fact that of every dollar they earned in 1920 they had paid 75 cents for operating wages and 20 cents for fuel, indicated the burden which post-war inflation had put upon the Railways.

Opponents of Government ownership claimed that the deficit should include $8,000,000 per annum of fixed charges on the Transcontinental and a deficit of $7,000,000 and fixed charges of $12,000,000 per year on the Grand Trunk System, for which the Government had tacitly accepted responsibility. The Toronto *Globe* declared (Mch. 19) that this could not continue indefinitely, that the fact of American and British railways having also had considerable difficulties did not point the way to a remedy; "There is manifest injustice to the large element in the population that has no direct and little indirect interest in the cost of moving freight if 50 to 70 million dollars are taken year by year from the Public Treasury so that freight and passengers may be

carried on Canadian railways at less than cost, and at a rate per mile, as our railway officials from time to time tell us, that is the cheapest in the world."

There were various debates in Parliament and attacks from those in the House and in the press who were opposed to the general principle involved as well as to Government ownership of these Lines in particular. A. R. McMaster, in the Commons, on Apr. 5th, took the line of denouncing the alleged interlocking Directorates of the National Railways Board with other Companies—notably through D. B. Hanna, Robert Hobson, Thomas Cantley, and E. R. Wood. There was no Government reply and the discussion dropped. It may be added that the Minister of Railways included in his Estimates (May 6) and Parliament approved, the Loan of $50,000,000 to the National Railways Company for general purposes—with $2,000,000 allotted to Construction, $9,378,671 to Betterments, $23,074,847 to Operation and Fixed Charges, and $16,138,297 to Sundry requirements.

The Special Committee of the Commons enquiring into Railway Administration, system and conditions, evoked much valuable information during the Session. President D. B. Hanna appeared before the Committee on Apr. 20 and gave a detailed analysis of the operation of the National Railways—the departments into which the administration was divided and the functions assigned to each; he added a statement as to what information should not be given to the Committee and made public. The subjects as to which he would avoid publicity embraced the disclosure of details as to wages, purchase prices, contemplated extensions, operating results from individual services, profitable customers and any difficulties between the Company and its employees. He declared that it was the aim of the management of the Canadian National to give to the public a service equal to that the Canadian Pacific. The System was going through the same difficulties as every successful road had to meet with at the outset, and, in view of the magnitude of the Lines, he did not regard the present expense as exorbitant.

A. J. Mitchell, a Director of the Railways, gave evidence, on the 26th, as to the difficulties faced by the National system in its first years—inadequate equipment owing to war conditions; lack of facilities such as terminals, yards and shops; scattered nature, new locations and unsettled regions of much of its new mileage; absence for some time of intelligent co-ordination and full co-operation in various parts; the fact of deficits being, to a large extent, on those portions of the lines east of Port Arthur and west of Edmonton. S. J. Hungerford, Operating Vice-President, stated (May 3) that traffic was not sufficient on Government lines to permit them to operate as heavy trains as the C.P.R. and, at the same time, provide an adequate service in competitive zones. He also declared that the Western lines of the Government system carried a heavier tonnage per mile than

the Eastern lines and that during the past three years the adverse balance of Canadian cars in the United States ran from 16,000 to 32,000. This seriously affected the movement of Canada's crop to the sea-board.

Addressing the Toronto Rotary Club on Oct. 28, Mr. Hanna dealt with the C. N. R. System as one performing a public service in every Province of the Dominion, operating a daily through passenger train from Sydney, N.S., to Vancouver—a distance of nearly 4,000 miles—passing through every Province with the exception of P. E. Island, and giving a shipping service that covered the Seven Seas. Its difficulties were common to railway systems everywhere at this juncture; he urged optimism and expressed assured faith in the future of the great undertaking—if politics were kept out of its affairs. They were, at times, pretty close. On Feb. 1st, the decision of a Board of Conciliation granted by the Minister of Labour in respect to certain dismissals on the National Railways, because of political participation by employees in Elections, was made public. A majority report of J. M. Godfrey, K.C., Chairman, and D. Campbell, Labour representative, favoured acceptance of the proposal submitted by employees of the C. N. R. In it they conceded without reservation the absolute importance of unstinted and continuous loyalty by the employees to the National Railways; declared that an employee must not continue in service while exploiting, for political purposes, the operation of the Railways, but claimed that to accept nomination in the ordinary way, or to be elected to a public office, should not be regarded as evidence of disloyalty. They also recommended that Messrs. Palmer, Moore and Higgins, who were dismissed for participating in politics, should be re-instated without loss of seniority and paid for the time lost as a result of their dismissal.

F. H. McGuigan, for the Company, dissented and asked for special legislation empowering the Board to enforce its policy of "no politics" in its service. Mr. Hanna and the Board of Directors accepted the majority report because the men claimed that the Order had never been officially promulgated, and reinstated the three men with leave of absence during the sittings of their respective Legislatures. This was to be without prejudice to the Company's original position and, as to the future, Mr. Hanna, in a letter to the Deputy-Minister of Labour on Feb. 12, was explicit: "That there may be no misunderstanding, let me again reaffirm our position that no employee can continue in the Service and accept nomination for any political party, Federal or Provincial. This is the policy laid down by the Directors in this matter and our officers will be advised accordingly." Instructions were so issued. In a general way, this policy was continued and C. A. Hayes, Traffic Vice-President, told the Toronto Board of Trade on Nov. 15 that the possibilities for the National Railways were great, provided they could be removed from the pressure of politics. So far, he said, they had been very free from this influence.

During the General Elections there was a touch of politics when the reports were issued as to considerable gains in the August and September earnings. Mr. Drury, the Ontario Premier, remarked at Napanee (*The Globe* report of Nov. 9) that "Canadian railways have a trick of piling up a surplus just prior to elections. x x x This is a matter which we may well question." Mr. Hanna resented this allegation and on Nov. 11 described it as "a direct reflection on the honesty of the management," and declared that the statements of earnings referred to were based on facts only and were correct. The inference as to Government or political control was, he said, unfair and was not a fact. Following the close of the contest he stated at Kitchener (Dec. 15) that during the Elections "there was not a single attempt on the part of any follower of the political parties to prevail upon the Directors to use their influence in any way to promote the success of either party at the polls."

Incidents of the year included the issue by the C. N. R. management of a series of careful and valuable articles upon all phases of Railway classification, traffic and operation which could be of interest to the public; the adoption on certain Branch lines, with light traffic, of a sort of motor-driven bus in place of the heavy and expensive trains of the usual equipment; continued pressure from the Board of Trade, City Council and Harbour Commission of the City of Quebec upon the Government to complete terminal works of the National Railways in Quebec, St. John and Halifax so that the 80 per cent. of Western grains still exported through United States ports, could be sent from Quebec in the summer and Halifax and St. John in the winter; the completion for the C.N.R., on June 1st, of five all-steel dining cars and assignment to Western lines for use as part of the Continental Limited; the sale in July by the Canadian Government of $25,000,000 worth of 25-year, 6½% sinking fund, gold debentures, of the Canadian Northern Railway to a New York syndicate; the consolidation (effective on Sept. 1st) of the Canadian Express Co. with the Canadian National Express Co. of the National Railways, with headquarters in Montreal, and John Pullen as President and W. C. Muir as General-Manager; the sale in New York (Sept. 15) of a $25,000,000 issue of Canadian National-G. T. R., 15-year, 6 per cent. sinking fund, gold debenture bonds; the consolidation in London, under William Phillips as European Manager, of the Canadian Northern and Canadian Government Railways with, also, the European offices of the above Express Companies; the appointment of George D. Perry as Vice-President and General Manager of the Great North-Western Telegraph Co. (of which Mr. Hanna was President) with headquarters in Toronto.

The Intercolonial and its freight rates came in for much criticism during the year. A very large and important Delegation waited upon the Government on June 1st, representing all the Maritime Provinces, and united in presenting a most dismal

picture of conditions with 80 per cent. of the grain of Canada being shipped through American ports; with not a pound of Nova Scotia coal being moved over the railways of the country west of the New Brunswick border; with the products of the farms of P. E. Island rotting in the cellars of the farmers of that Province; with the pulp and lumber mills of New Brunswick and Nova Scotia either closing or threatening to close; with the general development and progress of the Maritime Provinces being strangled and industries dwindling—all, it was claimed, because of excessive freight rates. There were 50 influential men in attendance led by E. M. Macdonald, ex-M.P., of Pictou, H. J. Logan, K.C., ex-M.P., of Amherst, W. S. Fisher of St. John, President of the Canadian Manufacturers' Association, Hon. R. E. Finn of the N. S. Government, Ivan Rand, K.C., for that of New Brunswick, and Hon. J. H. Bell, Premier of P. E. Island; they put up a strong case for preferred rates as before and during the War, and strongly urged that the I. C. R. should remain under the Railway Department and not be placed under the jurisdiction of the Commission.

Mr. McCurdy, Minister of Public Works, speaking at Truro, N. S. (Sept. 24) dissented strongly from this view as a retrogressive and very doubtful policy: "Surely it must be obvious that the future of the Intercolonial is bound up inseparably with the rest of the Government-owned railways for the reason that it is complementary to them as they are complementary to it. The advantages of combined operation are not confined to the employees and patrons of the road. Is it not obvious that the activities of a great transportation system covering land and sea must inevitably produce better results than could be achieved by a comparatively short local line?" It might, however, be possible to establish an Eastern Unit embracing the I. C. R. with headquarters at a local point. On Oct. 11, during the Elections, Mr. Baxter, Minister of Customs, suggested Moncton as a desirable centre.

The Hudson Bay Railway project marked time in 1921. In the Commons on Mch. 16, J. A. Campbell (Prog.) moved a Resolution pointing out that construction was commenced in 1916 and carried on to the end of 1918; it should be resumed "as early this year as possible and the project completed without further delay." It had been promised to the West by leaders of both old Parties and was in the Dominion platform of all the Parties and of those in the Western Provinces. Mr. Reid, Minister of Railways, stated in reply that the project was not abandoned; it was simply delayed until financial conditions permitted resumption of work; 310 miles had been completed but an attempt at operating this part of the line had not given enough traffic to pay wages of the train crews; other branch railways associated with Western settlement required consideration first. Mr. Crerar, in speaking, supported the Railway as a matter of future construction, but felt that a mistake had been made in choosing Port

Nelson as a terminus and that financial conditions did not warrant present action; an amendment moved by Thomas Hay (Selkirk) was carried favouring construction as soon as financial conditions would warrant. A later reply to questions (Apr. 27) showed that a total of $20,590,443 had been expended on this Railway and its proposed Port Nelson terminals.

The place of the Grand Trunk Pacific at this time was with the National Railways and its operating deficit in 1920 was $10,134,513. The outstanding feature of its operations in 1921 was the large increase in freight traffic of over 41 per cent.; its revenues increased 15 per cent., and, as expenses were reduced 16 per cent., the operating loss was reduced by over $6,000,000. Transportation expenses increased 19 per cent. with increased business, but maintenance of way and structure expenses were reduced 38 per cent. and maintenance of equipment 30 per cent.

Sir Joseph Flavelle's Proposed Policy. As an authority on finance and industry, and as the new Chairman of the Directors of the Grand Trunk, the open letter to the Prime Minister (Mr. Meighen) by Sir Joseph Flavelle, Bart., on Aug. 12, aroused much interest. He was explicit in a preliminary statement that: "There would be no acute Railway problem in Canada to-day if, in 1903, the Grand Trunk and Canadian Northern Companies had been told they must come together and constitute a second transcontinental line." Had this been done "a powerful corporation, with a serviceable railway from ocean to ocean, owned and operated by private capital would, with the Intercolonial and C. P. R., have given the needed transportation facilities for the present, and reasonable future requirements of Canada." Parliament decided otherwise and the National Transcontinental and G. T. P. were built and the Canadian Northern completed; crippling losses followed in over-railroaded territories; the effect was to make the country responsible for the operation of 22,000 miles of railway with, broadly speaking, the 1,800 miles of Transcontinental road, and 1,800 miles of Grand Trunk Pacific, and probably about 1,000 miles of the Canadian Northern road east of Port Arthur, "not actually needed for the business of the country." Sir Joseph pointed out that the operation charge ratio of the Canadian Northern in 1920 was 125·25, the Intercolonial and Transcontinental, 123·46, the G. T. P. 170·33, the G. T. R. 95·94. The C. P. R. figures were 83·76. As to the future and including, with Fixed charges on National lines, the taxes upon railway properties and rental upon leased roads, he found this result:

Annual interest charges upon Securities in the hands of the public	$32,529,471
Annual interest upon issue to meet Railway appropriations, authorized by Parliament at its last Session	7,000,000
Interest upon capital improvements to be made during the next five to seven years	10,000,000
Interest upon Government loans of $353,000,000	16,000,000
Taxes and rental for leased lines	4,459,510
Total	$69,988,981

As an offset to these yearly charges, there was about $4,000,000 of annual earnings from investments which would leave Fixed charges of $66,000,000 a year for the National system as against $15,900,000 for the C. P. R.—*plus*, in the latter case, the voluntary payment of $21,000,000 in dividends. He then made the proposal that a new National Railway Company be formed with a nominal capital of 5,000,000 common shares and 2,500,000, 6% preference shares—each share with a par value of $10,000: "The total authorized capital would thus be $750,000,000 and the Government should take common shares at par in payment of its existing advances to the various Systems. These, as of Dec. 31, 1920, were $320,000,000 of loans and $33,000,000 of Grand Trunk Pacific debentures." As to the rest:

> When the issues of National Railway securities, incident to the immediate plans of the Minister of Finance are completed, I would suggest that any expenditure which can or should properly be charged to capital, shall be provided by the Government from year to year, and be capitalized by the issue to the Government of a Preference stock at par in respect to their capital advances. Any annual deficit, on the other hand, which has to be met by the Government through the failure of operating revenue to cover operating expenses, *plus* fixed charges due to the public, should be met by an issue to the Government of common stock at par. Thus, the Company, at the commencement, would have the whole of its preference stock unissued, i.e., $250,000,000, and also $172,000,000 of common stock unissucd. The preference stock would only be issued against capital expenditure advanced by the Government. The balance of common stock would be issued to capitalize the operating deficits and fixed charges over the next few years.

This Report, as it was termed in the press, was widely and variously dealt with—especially a concluding appeal against politics and undue pessimism and in favour of a free hand for the management and for resourceful leadership. The Toronto *Globe* (Aug. 29) laid special stress upon Sir Joseph's advice to the C. P. R. and the C. N. R.: "If good sense prevails the Executive officers of the two Systems will plan together to meet the transportation requirements of the country." Toward the close of the year Sir Joseph addressed the Toronto Board of Trade (Oct. 4) and declared that "no super-man can give an organization and no super-company can supply an organization that will save the situation for some years to come from an important cash loss." He stated that Sir Wilfrid Laurier had brought the late C. M. Hays and Sir William Mackenzie together at the inception of the Transcontinental and G. T. P. arrangements, but that they could not agree; he pronouuced strongly against the Beck Radial policy and approved the attitude in Ontario of Mr. Premier Drury. As to the Railway problem, in general, it might be settled in 20 years and a great property realized, but only after some hundreds of millions had been lost: "The losses can be met in two ways—by taxation, or by earnings. You can have earnings only if you have business, and business well done; the one and only remedy for this situation is more people, greater production, greater tonnage, more passengers."

The Grand Trunk and the Government; Acquisition and Arbitration; The G.T.P. in 1921.

The G. T. R. in 1920 and 1921 was in a difficult and unpleasant position. It was under Government control but not management; it was still, technically, the property of its Shareholders but, practically, under conditions of Parliamentary ownership; it was in the hands of the Government yet the Government was not absolutely and entirely responsible for its finances until the Arbitration Award arranged for in the 1920 Agreement had been made and accepted. Following this 1920 Agreement for the acquisition of the Railway by the Government—ratified and formulated in an Act of Parliament which received the Royal Assent on May 11, 1920—a Committee of Joint Management had been appointed by the Government (May 21, 1920) to control and coordinate the operation of the G. T. R. and the Canadian National Lines pending the result of the Arbitration as to values of the Preference and Common stocks of the Railway. The financial situation in that year showed the Operating revenues as the largest in the history of the Company with an increase of $12,698,289 or 18·47 per cent. over 1919; the Operating expenses showed an increase of $15,839,384 or 26·23 per cent. over 1919. The Pay-roll or wage total of 1919 had been $42,617,415 or an increase of 41·34 per cent, over 1918; that of 1920 was $53,375,736 or an increase of 77·02 per cent. over 1918—with only 6,200 more employees. Hence, in part, the results shown in the following Income account:

Particulars	Year 1920	Year 1919
Operating Revenues	$81,442,647.32	$68,744,358.54
Operating Expenses	76,213,815.16	60,374,431.53
Net Operating Revenue	5,228,832.16	8,369,927.01
Railway Taxes and uncollectible Railway Revenue	1,303,067.25	1,170,850.31
Railway Operating Income	3,925,764.91	7,199,076.70
Non-Operating Income	7,706,272.77	6,146,800.21
Gross Income	11,632,037.68	13,345,876.91
Deductions from Gross Income	16,231,142.21	12,982,607.01
Net Income transferred to Profit and Loss	(Deficit) 4,599,104.53*	(Surplus) 363,269.90

The Funded Debt of the Company on Dec. 31, 1920, was $243,144,568 and the accrued Interest payable $10,054,582; the expenditures on Capital account in 1920 were $3,994,345 and the total amount to date $440,697,914. Howard G. Kelley was at this time President of the Company, with headquarters at Montreal; Sir Alfred W. Smithers, M.P., was Chairman of the Board of Directors in London; associated with them was the Committee of Joint Management with two representatives each from the Grand Trunk and the Canadian National and Mr. Kelley as 5th member and Chairman. On May 26, 1921, under agreement between the Government and the G. T. R., a new Board of Directors was elected in London with Sir J. W. Flavelle, Bart. (Chairman), J. Narcisse Dupuis, Montreal; E. L. Newcombe, K.C., Deputy-Minister of Justice, Ottawa; and Alfred J. Mit-

*Note.—Asterisk indicates loss.

chell, Vice-President of the C. N. R., Toronto, as members. Mr. Kelley remained on the Board and as President of the Company. During 1921 the co-ordination of operation between the Systems proceeded steadily with distinct economy in expenditure; meanwhile, varied controversies had occurred between the G. T. R. and the Government; the Arbitration proceedings, also, were in progress with one long delay caused by Railway and Government differences.

There was a great deal of Government financing necessary in this connection during the year. Early in January $12,000,000 of 15-year, 6½% equipment trust gold certificates were sold in New York by Dillon, Read & Co.; they were authorized but not guaranteed by the Government. On Apr. 19 the Prime Minister in the Commons put the current situation as follows: "The total amounts advanced by way of assistance to the Grand Trunk and the G. T. P. Companies, inclusive of interest unpaid, amounts in the case of the G. T. R. to approximately $77,297,000, of which all but $15,000,000 is due; and in the case of the G. T. P. to $62,400,000, of which the entire amount is due. The Government has, also, guaranteed obligations of the Grand Trunk to the extent of $25,000,000." On May 30, Dr. Reid, Minister of Railways, presented Estimates authorizing a Loan of $89,687,633 to the Grand Trunk System and covering operating deficits, acquisition of property, materials and supplies, interest on notes, securities or obligations, the principal and interest of maturing or matured loans, secured or unsecured, construction and betterments, guarantees by the G. T. P. Company for the period of Jan. 1st, 1921, to Mch. 31, 1922.

It may be added that during 1921 Freight traffic on the G. T. R. showed a decrease of 19 per cent. and passenger traffic 4 per cent.; the increased rates offset these losses somewhat, so that revenues decreased only 6 per cent. Maintenance of way and structure expenses increased 7 per cent., while maintenance of equipment decreased 15 per cent. Total expenses decreased over 6 per cent. making the net revenue slightly greater than for 1920. It may also be stated that the Grand Trunk as a System extended from Portland, Me., to Chicago, Ill., with an operated mileage of 4,776; of this 3,612 made up the Canadian lines with the balance in the United States. The Central Vermont Railway System was also controlled by the G.T.R.—613 miles; the net loss to the Government on operation of all these lines in 1921 was $15,672,299 as against $6,527,243 in 1920* All outstanding obligations on Dec. 31, 1921, were $428,285,616.

The Grand Trunk Arbitration Award. This Board was appointed under Agreement and by 1920 legislation, regarding Government acquisition of the Railway, to decide the amount, if any, to be paid by the Government for the Preference and Common

*Note.—Address in Commons by Hon. W. C. Kennedy, Minister of Railways, Apr. 11, 1922.

Stock—the limit to any possible award being put at $64,166,666. Under the Agreement and Act an unanimous Award would be final but, if not so, an appeal would lie to the Supreme Court or the Judicial Committee; as to time, the Award was to be made within 9 months from the appointment of the Arbitrators (July 9, 1920) or within such further time as the Government might approve. The Board was composed of Sir Walter Cassels of the Exchequer Court—Chairman by legislation and agreement of both sides; Rt. Hon. Sir Thomas White, K.C., by and on behalf of the Government (July 9); Hon. William Howard Taft, ex-President of the United States, by and on behalf of the Grand Trunk.

The organization meeting took place at Montreal on Sept. 1st, 1920, and a physical inspection of the property followed; there were delays in preparing the Grand Trunk case and on Jan. 13, 1921, the Prime Minister informed the Company's Counsel that there would be no extension of Arbitration proceedings beyond Apr. 9th; the Arbitration began on Feb. 1st and was not concluded upon Apr. 9th. In anticipation of this eventuality, Dr. Reid, Minister of Railways, for the Government, wrote Sir Alfred Smithers, Chairman of the G. T. R., on Feb. 7, formally reminding the Company of the provisions of the Agreement and pointing out that in the event of the Award not being ready within the period agreed upon, it would be necessary for the Government to consider whether it would exercise its powers to extend the time, and, if so, upon what terms or conditions. The system of joint management was stated by the Minister to be "embarrassing, inconvenient and expensive," though justified as a temporary expedient, and as providing for the possession which the Company should have during the preparatory period of its case and, at the same time, by means of a Committee of Management, for such a measure of unification with the Government Railway System as might be possible. There appeared to be no reason for the continuation of this undesirable system of control beyond Apr. 9, the day on or before which it was to cease.

Sir Alfred Smithers, for the Company, replied on Feb. 25 urging an extension of three months' time. To ask the Company to give up control before the case had been decided by the Arbitrators was unreasonable. The Minister replied by cable, on Mch. 19, regretting the impossibility of an extension except upon terms of immediate transfer of management and control of the Railway; Parliament was in session and three months' delay would make it too late to secure requisite legislation during the 1921 session. The reply of the Company (Mch. 22) was to the effect that the request to hand over the Railway before an Award was so unreasonable that the Board of Directors could not recommend it, and, as to the immediate transfer of stock, the Shareholders would certainly not consent to transfer their holdings until the final Award.

Meanwhile, on Mch. 21, the Minister of Railways had written to President Kelley: "The Government have come to the conclusion to make no further advances on account of the G.T.R. except payments, if any, for which they are obliged by law, until we have some definite and satisfactory assurances as to when the road is to come into our possession. In the absence of a satisfactory arrangement of these questions, the Railway must finance on its own responsibility from this time on." Sir Alfred Smithers protested to the Prime Minister (Mch. 29) that the Agreement to purchase by the Government made further financing by the Company impossible, and if default occurred in payment of obligations due Apr. 1st, (as did occur) it would be considered in London as default of the Canadian Government. Mr. Meighen replied (Mch. 30) that the Agreement provided for the Grand Trunk doing its own financing, but if, as the Chairman asserted, the Company could not do this then, obviously, he should no longer insist on possession and control. The demands of the Company, since the Arbitration agreement was signed, for financing, had involved large amounts, and the Prime Minister repeated the Minister of Railway's statements.

Sir Alfred replied (Apr. 1st) that, while not relinquishing any legal rights, he had cabled Mr. Kelley to, if possible, transfer the management of the Railway. But, as to transferring stocks, no holders would voluntarily transfer until final Award was given. He urged the Government to finance the various payments then due. The Prime Minister saw Mr. Kelley who stated (Apr. 1st) that his instructions were not sufficiently definite to enable him to conclude necessary arrangements for transfer of management and possession. This was followed (Apr. 2nd) by a cable from Sir Alfred Smithers to the effect that he had just received unanimous opinions of Counsel that under the Agreement they could not legally transfer management under present circumstances. The Prime Minister replied (Apr. 3rd) that the Government understood perfectly that the existing Agreement did not authorize the Directors to transfer their powers of management, and that a further Agreement was required to provide for this—subject to Parliamentary sanction. If the Board would authorize Mr. Kelley to execute the necessary terms evidencing Company's consent, and to put the Government into immediate possession, a Bill to confirm would be introduced at once. Only upon these conditions would the Government extend time or make further advances.

On Apr. 6 the Company replied, over the joint signatures of Mr. Kelley and F. H. Phippen, K.C., denying absolutely any delay on its part, either in the preparation or presentation of its case before the Arbitrators, and holding it was the obvious duty of the Government to grant the necessary extension of time without seeking to alter the terms of the contract. They claimed that, under the circumstances, there was no alternative but that



George Charles Coppley
Mayor of Hamilton in 1921; Elected President of the Association of Canadian Clubs.



Lieut.-Colonel Charles Robert McCullough
Founder of the Canadian Club Movement; Hon. President Association of Canadian Clubs.

the Government should grant the necessary time and, as the Agreement with the Government limited the powers of the Company to finance its requirements, the Government should protect the Company in that regard. In acknowledging this letter, the Prime Minister stated that the position of the Government in relation to the matters referred to was sufficiently set out in the antecedent correspondence. Such was the position on Apr. 9th when the power of the Arbitrators lapsed and proceedings ceased.

On Apr. 19 Mr. Meighen introduced a Bill in the Commons intended to continue the Arbitration, to arrange for finally taking possession and control of the Railway and its properties and to receive from Parliament approval of the Government's policy in the premises. The measure was not seriously debated, though there was a discussion on the 2nd reading, caused by certain questions from F. S. Cahill; it received 3rd reading on Apr. 26, after a debate in which Government ownership of railways, and the Government policy in this respect, came in for considerable criticism, and Royal Assent on May 3rd. Based on this legislation, a Draft Agreement, proposed by the Government, was considered at a meeting of the Grand Trunk Shareholders in London on May 12, when necessary authority was given to the Directors to execute it. By Order-in-Council of May 11, the Canadian High Commissioner in London was authorized to sign on behalf of the Canadian Government and the Agreement was executed and exchanged there on May 13. It provided for revival of the Arbitration, for the resignation of the G. T. R. Directors, the substitution of a Canadian Board and removal of the Head Office from London to Canada; it also provided for the appointment of a Shareholders' Committee to act in the Arbitration proceedings.

Following the resignation of the old Board of Directors on May 26 the Government appointed the Board as already recorded; on May 30 the three months' extension of time for Arbitration was granted and on June 11 a Government Order-in-Council approved and ratified the Agreement. The appointment of Sir J. W. Flavelle as Chairman aroused much comment with business and financial interests very favourable and popular opinion still influenced by the prejudices of the war-period and the bitter attacks of that time regarding his association with the William Davies' interests. In the Commons on May 30 Lucien Cannon vigorously attacked Sir Joseph, as did F. S. Cahill on June 1st. Hon. Dr. Reid replied declaring such references unfair and unjust: "There is not a man in the country with a better reputation or higher standing than Sir Joseph Flavelle." In the Senate (June 2nd) Hon. W. C. Edwards warmly defended the appointment, eulogized the admittedly great war services of Sir Joseph, and congratulated the country upon the appointment.

The Arbitration began again on June 1st and concluded on July 8, with the Award issued on Sept. 7th. During its sittings

a great variety of evidence was submitted to the Board and a good deal was excluded; the Grand Trunk Counsel included W. H. Biggar, K.C., Eugene Lafleur, K.C., A. W. Atwater, K.C., and F. H. Phippen, K.C. The Federal Government was represented by W. N. Tilley, K.C., Pierce Butler, St. Paul, Minn., H. A. Lovett, K.C., and Hector McInnes, K.C., Halifax, and E. L. Newcombe, K.C., of Ottawa. Howard G. Kelley, President, (Feb. 1st) gave a history of the Railway, its pioneer services to Canada and its expansion into the United States, its favourable traffic position and ample facilities, the alleged superiority of its motive power over the average: "I believe the Grand Trunk is in a position to be one of the best earning railways on the continent of America in the future. It reaches every possible industrial centre within the area through which it passes and it is so located that its train tonnages are large."

On Feb. 6 a majority of the Board (Sir W. Cassels and Sir T. White) over-rode Mr. Taft's protests, and decided to exclude evidence put forward on behalf of the Grand Trunk, which showed the reproduction value of the physical assets of the System. The position taken was that such evidence was inadmissable in view of the scope of the enquiry, which was to estimate the actual and prospective earnings of the System in order to arrive at a valuation of Grand Trunk stocks. Sir Walter Cassels' opinion was that the only method of arriving at the value of the Stock was "to ascertain the earnings of the Railway in the past, properly applicable to dividends, and the potentialities of the future"; on Feb. 21 Mr. Lafleur for the Grand Trunk made a long argument in favour of including evidence regarding the physical values and replacement costs. Frank Scott, Vice-President of the Railway, admitted, in his evidence, that without financial assistance from somewhere, the Company could not have carried on financial operations after Mch. 10, 1919. There was much other evidence and then, on June 7th, after resumption of the case, the Government's side occupied three weeks, followed by Counsel, who spoke at length; after 71 sessions the hearings came to an end on July 8.

The Award, when issued on Sept. 7th, created wide interest and some controversy. Sir W. Cassels and Sir T. White signed a majority Report, Mr. Taft a minority one. The former practically decided that the Common and Preference stocks of the Grand Trunk Railway, which had a par value of £37,075,492, were worth nothing and the decision was based, in the main, upon the view: (1) That in the existing condition of the Company the stock had no existing value; (2) that the Liabilities of the road were far in excess of the Assets, and that as its earning power was unlikely, having regard to all the conditions, to place it upon a sound financial basis for many years, the stock had no potential value. Judge Cassels, in an elaborate statement of reasons, based his decision very largely upon the evidence of Mr. Chamberlain, then President of the G. T. R., before

the Drayton-Acworth Commission of 1915 (Dec. 15) that the Grand Trunk *plus* the G. T. Pacific, was practically insolvent. Sir Thomas White, in his statement, reviewed past revenues and deficits of the Grand Trunk—that of 1918 being the first in recent years—with the heavy operating expenses and "hopeless bankruptcy" of the G. T. P. and its deficits of $48,058,589 in 1916-20 inclusive.

There was an opening for future action in both judgments. Judge Cassels concluded his with the statement that: "If equitable or moral considerations are to be considered, those who control the public funds must deal with the question." Sir T. White, who had based his conclusions upon the combined finances of the G. T. R. and the G. T. P., added these words at the end: "Any question as to compassionate consideration of the Shareholders must be for the Government and Parliament of Canada to deal with." Mr. Taft's view was directly opposed to that of the other Arbitrators. In his Judgment he analyzed the history of the Railway since 1852, its pioneer importance and the British money put into its construction and operation; its splendid business connections and railway properties and ownership of Steamship companies, Elevator companies, Electric lines, subordinate Railway lines, Bridge companies, Terminal companies, and other corporations owning Hotel properties used in connection with the System; its expenditures from revenue in recent years which might have been charged to capital and thus allowed larger dividends; its serious mistake in sharing in the Grand Trunk Pacific policy of the Laurier Government; its historic attitude of freedom from Government assistance until the G. T. P. and the War compelled a change. He closely, and at length, dealt with the finances and possibilities of the Road and estimated, under certain policies, an end to its deficits before 1926; his conclusion as to all the Stock under immediate consideration was a value of not less than $48,000,000.

The capital affected by the Award was £23,055,437 in Common Stock, £3,420,000 in 1st Preferred, £2,530,000 in 2nd Preferred, £7,168,055 in 3rd Preferred; nine-tenths of this Stock was held in Great Britain by about 19,000 shareholders and it all represented original cash investments. An appeal to the Judicial Committee was at once put under way and, on Dec. 21, the right to appeal was granted. There was, of course, a great and complete decline in the values of these stocks in London and a volume of protests came from the British shareholders and press. The refusal of the Canadian Government to protect payments of interest when due on Apr. 1st, pending the complete taking over of control, had aroused vigorous comment—*The Times* declaring that it caused painful surprise in financial circles, and bewilderment concerning the Agreement between the Government and the Company; several Canadian financial journals supported the protests in London and the Montreal *Journal of Commerce* (Aug. 26) declared that "the short extension of the Arbitration was not an unreasonable request and was

clearly within the spirit of the Agreement"; the refusal of the majority Arbitrators to hear evidence as to physical values was also adversely criticized.

In his presentment of opinion to the Shareholders on May 17, Sir Alfred Smithers stated that the physical assets of the System, without estimating anything for good-will or going-concern value, and without including the properties of the Grand Trunk Pacific, or any of that Company's subsidaries—in the judgment of their valuing Engineers, and based on 1920 prices—amounted to considerably more than $1,000,000,000; based on pre-war costs, with deduction of full allowance for wear, the value of these assets, he claimed, was well over $640,000,000, or a sum largely in excess of all the liabilities, direct and indirect, of the entire System. The Award came, undoubtedly, as a great blow to thousands of British holders of the Securities and created a sensation on the Stock Exchange (Sept. 8) when the 1st Preferred shares fell from 45 to 25, the 2nd from 34 to 14½, the 3rd from 14¾ to 8, and the Ordinary from 5⅛ to 2⅛. Even these prices were purely nominal.

The London press, in its comments, touched many points which were not even mentioned in Canadian references. The London *Observer*, for instance, dealing with Sir Thomas White's statement that the junior Grand Trunk stock issues were valueless because a receivership would have been certain if the Canadian Government had not stepped in, asked what the junior security holders of the Union Pacific, the Aitcheson and other American railways that were in the hands of receivers for 30 years, would say to that. They had to submit to heavy assessments but they saved their properties, and the Grand Trunk shareholders would, no doubt, have done the same. *The Times* recalled the more favourable treatment accorded the Canadian Pacific and the Canadian Northern, and declared that the present experience should bring home to stockholders of the Argentine and other Railways, mainly owned by British investors, the importance of establishing themselves, financially and politically, in the countries where they were operating.

The *Canadian Gazette*, representing various Canadian interests in London, went even further (Sept. 15): "We who have long worked to enhance Canada's fame and good name in this country cannot but feel deeply concerned when we think of the thousands of British investors, rich and poor, who, having put their savings into the stocks of Canada's oldest Railway enterprise, are now calmly told that their investments are worthless." The Award of $10,000,000 in respect to Canadian Northern common stock, which represented no actual investment, was widely compared with this Grand Trunk decision; another argument was that during the War Canada did not follow the example of the British and American Governments and take control of its railways, nor did it, in these unparalleled circumstances, sanction increased rates sufficient to enable the

Grand Trunk to meet additional expenses and leave a fair margin for the stockholders. Some comment was more favourable to the Canadian Government and Hartley Withers in the *Saturday Review* acknowledged the generosity of that Government in assuming the liability for Guaranteed stock but thought that the Canadian Government, throughout this long controversy, had been "most unwisely reticent" in not taking any steps to make their official documents and reasons for action accessible in London.

The Canadian Pacific Railway: Its National Position and Progress.

In 1921, as during so many preceding years, the C. P. R. continued along even lines of management, policy and business. As with his distinguished predecessors—Lord Mount Stephen, Sir William Van Horne or Lord Shaughnessy—when the times required it, President E. W. Beatty could face a difficult Railway and National situation with coolness and decision. During this period he adjusted rates and wages to meet conditions and, in the latter case, found the admirable relations between the men and the management of the C. P. R. a distinct asset; met decreased revenues with stringent cuts in expense and expenditure; took his part in the public life of the country, as head of its greatest independent corporation. As an institution it was, during 1921, under almost continuous discussion in Parliament, in the Elections and elsewhere, as the model upon which a successful National System might be based, as the concern with which National co-operation was most essential, or as the chief competitor and national rival of such a System.

Despite continued depression in trade and finance and industry the operations of the C. P. R. for 1921 showed better results than in 1920, with an operating ratio of 80·90 per cent. as against 83·84%; the increase in rates was not sufficient to offset the decreases of 20 per cent. in passenger traffic and 23 per cent. in freight traffic, so that total revenues showed a decrease of 11 per cent. Maintenance of way and structures and maintenance of equipment, however, were reduced 11 and 20 per cent. respectively. Traffic expenses increased 25 per cent. and transportation expenses per revenue train mile showed practically no change. The annual Report for the year ending Dec. 31, 1921,* showed gross earnings of $193,021,854 or a reduction of $23,000,000 from the 1920 record; the working expenses—including all taxes—were $158,820,114 or a reduction of nearly $25,000,000; the Net earnings were $32,201,740 or an increase of $950,000; deducting Fixed charges of $11,519,071 the Surplus was $22,682,668 or $300,000 more than in 1920.

From this Surplus there were paid two half-yearly dividends of 2 per cent., each, on Preference stock, and four quar-

*Note.—See publication of Report and annual Addresses in full in *Supplement* to this volume.

terly dividends of 1¾ per cent., each, on Ordinary stock, totalling altogether $21,427,276 and leaving a Net Surplus of $753,-391. There was, also, a dividend of 3 per cent. or $7,800,000 paid on Ordinary Stock from Special Income. Of the 1921 expenses 53·84 per cent. was disbursed for labour, 25·92% for materials and general supplies, 15·51% for fuel and locomotive supplies, and 3·49 per cent. for taxes. The President added in his annual Report for 1921 that: "By the exercise of the strictest economy and the deferring of work which could be postponed, especially during the early part of the year when traffic was particularly light, and by the savings effected through the reduction in wages secured in September, your Officers were able to reduce expenses to an amount in excess of the decrease in gross revenues due to the conditions already mentioned."

During the year the C. P. R. proved its exceptional credit and reputation—at this juncture—by selling £4,800,000 of 4 per cent. consolidated Debenture Stock in London; New York took $25,000,000 more, though the specific security was new to American investors. As with the affiliated and branch lines of the Grand Trunk in the United States, the C. P. R. subsidiaries in that country suffered during 1921 from current conditions and, especially, from the U. S. tariff against Canadian wheat. Reference was made by Mr. Beatty to the agreement with Alberta for extension and operation of the Central Canada Railway, 25 miles from Peace River Landing to Berwyn, and one with Quebec for the construction of a line (77 miles) from Kipawa to the Des Quinze River. The preparation and erection of a Bronze Memorial to the C. P. R. men who fell in the War was announced; it was to be placed in Windsor Station, Montreal, with replicas at Winnipeg and Vancouver. Reference also was made to the death of Lord Mount Stephen, the first President of the Company (1881-83) in his 93rd year; he was described as the master-spirit of the enterprise. It may be added that the Executive Committee of the Board of Directors during this year was as follows:

Rt. Hon. The Lord Shaughnessy, K.C.V.O., Chairman of Board.
Richard B. Angus — Sir Herbert S. Holt
Sir Edmund B. Osler — Grant Hall
Edward W. Beatty, K.C., LL.D., President of the C. P. R. Co.

The Assets of the Company on Dec. 31, 1921, totalled $1,-124,725,248 and included a Property investment of $791,549,287; Sundry investments and available resources were $241,266,290 and the Working Assets $91,909,770. Liabilities included Stocks and bonds of $582,538,352 with Note Certificates of $52,000,000; the Current accounts were $25,415,099 and Equipment Obligations $16,610,000; Reserves and appropriations totalled $76,-603,869, and Premiums on Ordinary Stock, sold, were $45,000,-000, with net proceeds of Lands and Townsites $93,798,267; Surplus Revenue from Operation was $128,481,119 and the Surplus in other Assets $100,989,769 with Sundry small items. The Cash

in hand on Dec. 31, 1920, was $30,090,941 and one year later it was $45,318,948; the Pensioners of the C. P. R. on Dec. 31, 1921, numbered 1,030 with $1,562,476 at credit of the Fund; there was a balance of $4,307,979 at credit of the Insurance Department or an increase of $500,000 in the year; the Equipment of the Company included 2,255 locomotives, 90,648 freight cars and 10,953 other cars, vans, etc.; the mileage of the Railway was 14,784 in Canada and 5,097 in the United States. As illustrating the wide National and Imperial character of the C. P. R., Mr. Beatty, speaking at a Canadian Club banquet in New York on Jan. 21, summarized its work in the War:

> The Canadian Pacific had perhaps more points of contact with the War than any other industrial enterprise outside of Great Britain. It had large ocean-going steamers on the Atlantic and Pacific. It had a transcontinental railway system serving all the chief industries of Canada with affiliations in the United States, which placed its Canadian ports in particularly close touch with the many important manufacturing centres in the United States. It operated a manufacturing plant of railway equipment at the Angus shops in Montreal containing, not only up-to-date machinery, but also engineers of the highest skill, capable of meeting any manufacturing problem that might arise. It employed experts in railway construction, whose services proved invaluable, to facilitate the movement of artillery and transport behind the lines. It employed men of administrative and executive ability, whose services were gladly loaned to the Imperial Government, for the purchase of immense supplies required from Canada, for the chartering of ships and for the direction of freight matters in connection with the transport of such supplies. It had fostered a loyal and patriotic spirit among its 85,000 employees, which meant a large number of volunteers for overseas service and, last but not least, it had large reserves of capital at its disposal which it was glad to lend to the Imperial or Canadian Government or invest in Canadian securities with the purpose of raising money for the successful prosecution of the War.

During 1920 and again in 1921, Mr. Beatty urged, whenever possible, the necessity of a large and regulated Immigration for Canada. Speaking to the press at Montreal on Mch. 20 in respect to the announced deficit of $69,000,000 on the National Railways, the C. P. R. President declared that without Immigration the prospects of the National lines were, in his opinion, hopeless, and any legislation which would stem the tide of desirable Immigration must inevitably pile up further deficits. It was, he said, an aggressive propaganda of this kind that built up the C. P. R.: "The gates of Canada should be opened once more, not only to the British, French and American immigrant, but also to the Scandinavian and the more desirable type of Continental." He pleaded, also, the cause of the skilled mechanic, in addition to that of farm hands and domestics, on the ground that Canadian industry would be handicapped in its progress without them. Addressing the annual C. P. R. meeting on May 4, Mr. Beatty pointed to the $12,000,000 added to their Pay-roll by the so-called Chicago Award—accepted in Canada under parity of conditions—and assumed that with current changes and wage reductions in the United States, similar con-

ditions would prevail in Canada: "A reduction in both wages and freight rates would have a pronounced and beneficial effect on the general sentiment in the country through confidence that normal conditions had been more nearly reached." Speaking in Montreal, on July 2nd, as to rumours that the Government would follow the United States' example in stringent Immigration regulations, Mr. Beatty deprecated such action:

> It is obvious that two great things are necessary in this country's prosperity. One is the backing of foreign capital for new enterprises in order that our natural wealth may be properly realized, and the second is more people to aid these industrial conditions, extend the farm areas under cultivation and by their number and financial solvency ease the burdens of the country. x x x We should be very careful not to frame our Immigration policies on the principle that temporary depression and temporary unemployment are justification for barriers. It seems to be the assumption that Immigration is like a tap that can be turned on and off with absolute freedom. This is not the case. It must be a continuous flow of the right kind of people if we are going to carry our burdens with anything approaching ease. Coupled with an active desire expressed through a sane Immigration policy to obtain settlers of the right type for Canada should be a system of acceptance or rejection at the port of embarkation so as to reduce to a minimum the sometimes almost inhuman practice of returning rejected immigrants from a Canadian port.

Mr. Beatty, in the course of a tour of Western inspection—accompanied by Senator F. L. Beique, Sir Herbert Holt of Montreal, and Sir A. M. Nanton, of Winnipeg, was in Winnipeg on Sept. 9, and told the press that there was a steady improvement in the financial situation: "Conditions in Canada are fundamentally sound. There has been nothing in the nature of an acute depression, especially as compared with other countries. It is, I think, a fact, however, that the two great necessities for this country's advancement, namely, the obtaining of suitable settlers in as large numbers as possible and the attraction of capital for extension of Canadian enterprises, should be given the most serious consideration now, and not later." At Moose Jaw on Sept. 12 he referred to the Rates question and stated at a Dinner given by several organizations that: "The Company which I represent is one of the largest individual purchasers of goods in Canada and you do not need any assurance from me to indicate the disadvantage of the Company being compelled to defer purchases, or buy in very small quantities from day to day, rather than freely and courageously against their future necessities. No one is more anxious than I that rates should come down as soon as they can come down with safety. There is not a Railway executive in America who would not prefer to make money by the free movement of traffic at moderate rates than by a slight movement at high rates."

His summary of problems to be met was as follows: "(1) The protection of Railway property so that it should not run down and the character of the Service become depreciated; (2) the maintenance of the kind of Service an exacting public de-

mands; and (3) the continuance, through a satisfactory earning power, of a high credit in order that money may be forthcoming to enable the Companies to meet future transportation necessities of Canada." The other Western centres were visited and a somewhat-needed spirit of optimism interjected into public discussions; at Victoria Mr. Beatty stated (Sept. 20) that electrification of lines was still a matter of the future, though, in time, certain lines would, beyond doubt, be electrified; from here points north were visited, including the Okanagan Valley, and at Vancouver on his return trip, Mr. Beatty urged—as he had done elsewhere—a scientific rather than blanket increase, or decrease, in rates; Calgary was visited on Sept. 24, and on Oct. 1st, the C. P. R. President was back in Montreal after a tour in which his statements and speeches had done much to strengthen the tone and spirit of the West.

Incidents of the year included the operation of the Trans-Canada Limited, from Montreal and Toronto to Vancouver, at a cost of $250,000 a month, as the alleged fastest long-distance train on the Continent; the depression in C. P. R. stocks at New York, where in June the lowest price in 20 years was reached—101 on June 26; the continued Publicity work of the C. P. R. abroad under the Montreal direction of J. Murray Gibbon, and the European control of a Special Department in London—the British side of the work including a remarkable display at the British Industries Fair in Glasgow and other points, and the exhibition of a large mechanical map of Canada; the visit of H. M. Queen Mary and Princess Mary to the C. P. R. Offices in Trafalgar Square on May 13; the establishment of C. P. R. headquarters at New York, near the Grand Central Station, and in a new building (said, locally, to have cost $8,000,000) on the corner of Madison Avenue and 44th Street and with a 21-year lease; the appointment of Andrew Allerton as General Superintendent of Canadian Pacific Hotels from Coast to Coast.

The Railway Proposals of Lord Shaughnessy. As President of the C. P. R. from 1899 to 1918, with a record of 36 years' association with its management or operation, Lord Shaughnessy was a recognized authority and, in fact, a world-figure in transportation matters; the presentation to the Government and publication of definite suggestions from him in a critical railway period such as 1921, was a matter of importance. His proposals took the form of a letter dated Apr. 16th, with a Memorandum, addressed to Mr. Premier Meighen, and he prefaced the former with the statement that the Railway question was the "most momentous problem" before the country; that he feared the Grand Trunk transaction would prove "disappointing and expensive"; that the C. P. R. was not behind his plan and he did not, in fact, know how the Company might view it; that his Memorandum was much along the lines of one submitted to Sir Robert Borden in 1917.

This document first pointed out that conditions had greatly changed in the past four years and that Canada now had about 40,000 miles of railway lines: "Of the lines included in this mileage approximately 37 per cent. earn annually sufficient money to pay all interest charges and to give a return on the share capital; 54 per cent. fail to earn enough to pay their working expenses and are consequently operated at a loss; and 9 per cent. earn interest on some of their major securities but have nothing to apply as dividend on the share capital. Included in the last-mentioned is the Grand Trunk Railway System, which is international in character." This latter element of its business, he added, produced the greater part of the G. T. R. gross revenue. As to the Government policy in this respect, he was explicit: "Even at this advanced stage it would be wise for the Dominion Government to drop all measures looking to the acquisition or control of the Grand Trunk, to relieve that Company of all obligations in connection with the Grand Trunk Pacific and to grant easy terms covering a period of years for the repayment of any amounts advanced by the Government to the Grand Trunk or secured on the credit of the Government in the last two years."

After reviewing the mistaken policies of construction in recent years and declaring that the Canadian Northern System "was, by over-expansion, made a hopeless business proposition," Lord Shaughnessy pointed out that in respect to much of the new National System there was no rolling stock equipment nor terminal yards, freight facilities, repair shops, or other requirements, commensurate with its needs, and that the cost of providing them would be very great. As to this System, he did not think its traffic and general expenses were excessive but he was not optimistic as to meeting its annual deficits in the near future: "Meantime, the Canadian people will be compelled, year after year, to raise by taxation sufficient money to meet the appalling annual deficits, unless by some process the cost of the maintenance and operation of the National lines can be brought to much lower figures. This, however, would not appear to be practicable, as the National System, engaged in competition for traffic with another very strong railway Company, would be at serious disadvantage unless in train service, equipment and in other respects it offered the public facilities approaching those obtainable elsewhere." His plan was a generalized suggestion following upon a review of the Assets and resources and favourable finances of the C. P. R.:

> If by some arrangement with the Company these assets could be segregated and the Railway property added to the Government System, the System would comprise 31,000 miles of railway with a considerable number of parallel lines unimportant or useless. The consideration to be given the shareholders of the C. P. R. Company in exchange for the properties above defined would, I imagine, be in the nature of an undertaking by the Government of Canada to pay to the shareholders, in perpetuity, a fixed annual dividend on the share capital, to be supple-

mented by a further payment when the whole property was yielding a specified return.

The extraneous assets of the Canadian Pacific would be transferred to and administered by Trustees or by a subsidiary Company with another Board of Directors, so that the Directors of the Railway Company would be interested only in the administration of the trust placed in their hands by the people of Canada. There would be no motive for selfishness, if such a thing were possible in the circumstances. The income on their shares being fixed and unchangeable, excepting as above provided, the Canadian Pacific shareholders could receive no advantage from preferential treatment given to any particular portion of the Railway System. The Directorate would have every incentive for wise, prudent and business-like administration.

These were the broad principles of the plan. As to details, political management was ruled out as impossible and ruinous and the proposal made that the existing C. P. R. management be utilized under the terms of a contract approaching perpetuity in its duration, to administer and operate the whole property for account of the Canadian people. Under the consolidation, and taking 1920 figures as a basis, the gross earnings would be $342,283,000 and the operating expenses $345,973,000; to the latter would have to be added the annual fixed charges of the whole System, the guaranteed dividend on C. P. R. preference and common stock, and incidentals; the resulting total deficit would be about $80,000,000. Against this Lord Shaughnessy added a possible saving of $56,000,000 by bringing the combined average of operating costs up to the C. P. R. level, a saving of about $12,000,000 by reducing these costs 4 or 5 per cent. more, in years less expensive than 1920, which he thought possible. with the balance easily wiped out by improved conditions of national settlement and development.

Great interest was taken in these suggestions. There were many in Ottawa and in Montreal, and even in Toronto, who favoured Public ownership but yet thought such a scheme well worth exploring and who still were in doubt as to the Grand Trunk policy; there were others with the strongly entertained view that any way out of the situation in which the Government Railways were placed, should be welcomed; there were powerful interests in Montreal and amongst financial men everywhere who would consider any practical plan for getting away from further national railway responsibilities. E. L. Pease, General Manager of the Royal Bank of Canada, thought it an excellent solution of a most difficult problem: "In fact, I can see no other. Continued annual deficits on the scale of the past year would soon imperil the whole financial structure. I think the Government should seize this propitious opportunity of escaping from a critical situation." F. W. Stewart, Chairman of the Canadian Manufacturers, Montreal, thought it a "very wise and desirable move," and J. B. Thomson, Chairman of the British Columbia Branch, expressed similar views; Alfred Lambert, President of the Montreal Chamber of Commerce, said that it merited "very serious consideration."

Opinion at Ottawa amongst politicians was divided in private, but in public the plan, generally, was considered as full of political difficulties—Senators L. O. David, J. S. McLennan and F. S. Beique were amongst the few who publicly supported it. The press was not very favourable; as a rule comment was on the lines of "interesting and stimulating but impracticable," and the Toronto *Mail and Empire* made the point that the C. P. R. under proposed conditions, would not have the same motive to persevere against difficulties, and to fight for business, when dividends were assured beforehand; a number of the financial papers—including the Montreal *Financial Times*—were more or less favourable to the scheme. The Toronto *Globe* (Apr. 28) gave two strong reasons against it: "The first, which appears to *The Globe* to be insuperable, is that he proposes that the shareholders of a Railway which is owned chiefly in Great Britain and the United States shall, 'under a contract approaching perpetuity,' appoint from year to year Directors, who shall manage not only their own property, but property belonging to the people of Canada worth not less than $850,000,000. The second serious objection to Lord Shaughnessy's plan is that it contemplates the transference to the C. P. R. of the National Railways under terms giving the C. P. R. great power without the incurring of any risk."

The Question of Public Ownership. As in 1920, this question was not discussed theoretically; for reasons of complicated and gradual growth, Canadian public opinion was supposed to be favourable to the general theory and plan. Practically, however, and chiefly in respect to existing Railway deficits and difficulties, it was much discussed and there was a good deal of opinion hostile to the current application of the principle. In Government circles at Quebec there was no friendship for the general idea and the Electric interests of that Province had developed along independent lines without Government aid; in Montreal the C. P. R. influence was, of course, powerful and the chief financial interests, including such men as Sir Lomer Gouin, were opposed to Government Railway ownership; at Ottawa there were many in both of the older parties who looked askance at the growing responsibilities involved and disliked the whole ownership idea; in Toronto, the Drury Government represented much opinion, outside the Farmers' party, in fighting the Beck policy and, especially, the Radial plans, in which this principle was a vital factor; there were, in the Senate, many of both parties opposed to Government ownership—including F. L. Beique, L. O. David, Hewitt Bostock, G. G. Foster, N. A. Belcourt, R. Dandurand, Arthur Boyer and J. P. B. Casgrain; in Quebec, generally, and in the Maritime Provinces, there was no very strong feeling in favour of Public ownership of railways.

Senator Bostock, Liberal leader in the Upper House, touched an important issue in respect to the Grand Trunk when he pointed out (Apr. 28) that: "Under Government ownership

the Grand Trunk lines in the United States would become liabilities instead of assets; there would be a multiplication of troubles in the fact that these roads came under numerous State laws, and a consequent probability that the Railway problem would go from bad to worse." Sir John Willison, before the Canadian Club, Montreal, on Jan. 31, made the point against Nationalization that the National Railway System included unnecessary duplication of mileage and stretches of road which might remain unprofitable for a generation. The common stock of the Canadian Northern had been written down to 10 cents on the dollar, that of the Grand Trunk and of the G. T. P. had been extinguished: "Upon the cost of these Railways the people will have to pay interest in high rates or taxation; if the charges go into taxation a permanent burden will be laid upon the working and professional classes in direct relief of shippers and producers, whose goods and products provide the freight revenues of the Railways."

Much was made in financial circles of preceeding failures in Government management of railways. According to *The Times* of London (Feb. 18), had the British Government handed back the English Railways to their owners, as they actually were when Government control ceased, there would have been default on 1,000 million pounds of Railway capital; in the United States the Railway executives claimed that Government control (1917-20) had increased the employees by 261,000 while the work done by unskilled labour was 112 per cent. more expensive, and that by machinists 180 per cent. more, than under private operation. The Quebec Board of Trade in March passed a Resolution dealing with the subject from a new angle—new at least to Ontario discussion: "That the policy of the management of Government railways in diverting the grain trade of the West to New York for export, and by means of prohibitory freight rates, preventing this grain from coming to Canadian seaports for shipment, is most reprehensible and unpatriotic, and has resulted in the payment of many millions of dollars of freight money to United States railways, that should have been earned by Canadian railways and, if so, would have gone a long way to reduce the alarming deficit in Government operation which all now deplore."

As the year passed on these issues formed a part of vital legislation at Ottawa and of policy discussion in the Elections; mainly the matter was not dealt with as one of principle, but as a necessity in practice. In almost every connection, the C. P. R. was quoted or referred to either as (1) an example of the benefits of private ownership; (2) a picture of the undue profits accumulated by great monopolistic enterprises; or (3) an illustration of what the National Railways should do or become. It was used to prove the folly of Public ownership of railways and to prove, also, the benefits which might accrue to the people through Public ownership.

The Canadian Merchant Marine: The C.P.R. Company and the Canada Steamship Co. in 1921.

The Shipping interests of Canada had a year of difficulty in 1921; there were political troubles for those associated with the Government and, in most cases, reduced rates and traffic. There was, also, keen competition between Government and private Lines and strong opposition expressed on behalf of the latter against Government aid being given to one set of ships at the country's expense. Halifax shipping interests certainly were affected and the Red Cross Line and its Newfoundland business seriously so, while the Royal Mail Steamship Line felt the competition in its West Indian trade.

The Hon. C. C. Ballantyne, Minister of Marine, was politically responsible for the Canadian Government Merchant Marine; D. B. Hanna, President, and the National Railways administration, were responsible for its control and management. Mr. Hanna, toward the end of the year, described the general position of these interests (*Canada*, London, Dec. 24) as follows: "The Cunard Company, in conjunction with the Canadian National Railways, and the White Star, in conjunction with the Grand Trunk, provide Atlantic steamship passenger services for the National System. Arrangements have been made by which passengers using the steamers of the Union Steamsip Co. of New Zealand may be ticketed through *via* Canadian National and Grand Trunk lines. In the matter of ocean freight traffic the Canadian National has a strong ally in the C. G. Merchant Marine, Ltd., operating under direction of the National Railways, a fleet of 60 steel cargo steamers. There are 6 vessels yet to be delivered; the complete programme of 66 vessels will provide a total of 380,000 tons. These vessels provide cargo and Liner services all over the world."

Meantime, Mr. Ballantyne in the Commons, on Mch. 29, had reviewed the C. G. Merchant Marine conditions during 1920 with sailings by different ships to Liverpool, London and Glasgow, Cardiff and Swansea, the British West Indies, Cuba, the Mediterranean, Straits Settlement, Java, India, Australia and New Zealand. The Minister claimed substantial gains to Canada's export trade as a result; the fixed assets were stated at $49,243,604 (vessels at cost less depreciation), the current assets at $3,535,653, the gross earnings at $10,210,442, the operating expenses at $8,733,917, and the total net earnings at $781,460. The Estimates for this year included $8,330,000 for completion of the Government's programme and the subject was debated at length on Apr. 11th. J. H. Sinclair (Lib.) claimed that in at least three cases the Government was subsidizing Steamship lines which competed with the Government Marine; denounced Government ownership of shipping in general and declared that the operating profit on the Line did not nearly cover interest on the money invested in the ships. The Minister, in his reply, claimed that a fleet of ships was absolutely essential to a Trans-

continental railway and cited the C. P. R.; he quoted many points of superiority in the Government ships over British tramp steamers.

A long debate followed and was continued on the 13th; the Opposition was critical and antagonistic but the vote eventually passed by 103 to 79; the *Financial Times*, Montreal, claimed that there was actually a deficit for the year, through depreciation and unpaid interest, of $17,000,000. On Apr. 13 the Toronto *Globe* declared that: "Canada has on her a hands a fleet of ships that must either be sold at a sacrifice or operated in connection with the National Railways to the best possible advantage and with the very highest business ability which can be attracted to the public service. *The Globe* believes the latter course to be in the public interest." The 63 ships so far constructed had cost $75,000,000, according to Mr. Ballantyne, and had a deadweight tonnage of 360,000. During the year the trade depression showed itself in many of these ships returning to Canadian ports with inadequate cargoes; in all cases, the management announced, British subjects were employed and, of the 1,674 on the pay-roll at the beginning of the year, one-half were Canadians.

Incidents of 1921 included the inauguration of a Service (Jan. 25) from Halifax to Nassau in the Bahamas, Kingston in Jamaica, and Belize, British Honduras; the organization of a Pacific Coastal Service between Vancouver and Victoria and Seattle, San Francisco and other United States points; the announcement, on Feb. 9th, of a general reduction in cargo rates between Canadian Atlantic ports and Great Britain with a view to stimulation of freight traffic; the launching at Prince Rupert, B.C., of the *Canadian Scottish* of this Line (May 12) as the first ship constructed at that port; the statement, on June 8th, that the *Canadian Exporter* of the Government's Pacific fleet had left Australia for Montreal with the first direct Australian cargo for that city, while the *Canadian Carrier* had reached Montreal as the first ship in modern shipping annals to arrive at that port from British Columbia; the inauguration of an Oriental service on June 8 with the sailing of the *Canadian Highlander* for Kobe, Nuchwang and Taku Bar.

On June 11 the Department of Marine issued a statement that: "Notwithstanding the continued depression in shipping, the vessels of the Government Merchant Marine are succeeding in finding useful and profitable occupation. Since Jan. 1st there have been 52 vessels in commission and the returns from operation to Apr. 30, last, show a substantial profit after deducting operating costs. During the period referred to voyages have been made to the United Kingdom, South America, Australia, West Indies, Newfoundland and European ports. All of these services have yielded a profit with the single exception of that to the West Indies." Whatever the merits, or otherwise, of Government policy in this connection, there was no doubt of the energy with which the business was pressed and development

pushed. During June, for instance, large shipments of wood-pulp were being discharged at United Kingdom and Continental ports and, in addition, certain ships running between Canada and England had been fitted out for the carriage of live cattle while several ships were at this time equipped with cold storage. Agreements were arrived at during the first part of 1921 with the Cunard Line, the British India Steam Navigation Co., Ltd., Messrs. Alfred Holt, Ltd., and the Anchor-Donaldson Line; this policy of negotiating friendly agreements with private companies was said to have borne satisfactory results. It was claimed by the management that their policy lay in the opening up of new trade routes rather than adhering to competitive ones, and that this feature should secure for the Line the interest and support of all enterprising traders.

At Halifax, on July 9th, the *Canadian Cruiser*, said to be the largest ocean-going steel steamer built in Canada, was launched for the C. G. M. M. by Mrs. G. H. Murray, wife of the Provincial Premier, from the Halifax Shipyards. In August a series of misadventures occurred. *Canadian Exporter* was lost off the Oregon Coast and on the 18th the *Canadian Recruit* was injured in a collision about 45 miles below Quebec; about the same time the *Canadian Importer*, the first of the Fleet to go around the world, developed a leak out from Vancouver, *en route* to Australia, and had to be abandoned. The *Canadian Transporter* was launched from the Coughlin yards, Vancouver, on Aug. 31, and the *Canadian Constructor* from Halifax on Sept. 24—the latter sailing later from Montreal to Russia (Nova Rossick on the Sea of Azov) with a cargo of tank cars bought and paid for by the Soviet Government. On Sept. 21 the *Canadian Inventor* arrived at Durban, Natal, from Vancouver, with a cargo of canned goods and lumber—the first of the Line to reach South Africa.

At the close of the year four Government vessels were laid up in Montreal for the winter season; the final report of operations for the year showed a substantial deficit. The operating Revenue for the year ending Dec. 31, 1921, was $10,768,828 and operating Expenses $12,979,553, with a Deficit of $2,210,724. To this had to be added Interest accrued on notes to Government, during the year, of $3,351,500 and reserve for Depreciation of $2,374,410, which, with minor items, made a total Deficit of $8,-047,635. Mr. Hanna, in submitting this Report, stated that "conditions existing in the Steamship business throughout the world made such a result inevitable. Admittedly, from an economic standpoint, 1921 was the worst year in recent shipping experience. In addition to a general falling off in tonnage, ocean rates were reduced, in some cases, as much as 50%. Steamship rates that would bring in a proper return did not exist, and the best rates would only pay operating expenses. While tonnage outward was fairly well maintained, the inward business, especially from the United Kingdom, Continental ports and South America, fell away to such an extent that homebound cargo was prac-

tically impossible to obtain. On this account many voyages resulted in losses. The total loss had been substantially increased by charging depreciation at 4% and interest at 5½% per annum on the original cost of the vessels. The difficulties of the situation were further increased by the addition of 18 new vessels to the Company's Fleet during a most severe business depression."

There was no doubt as to the world conditions in shipping. Mr. Hanna explained some of the advantages of operating the C. G. M. M. in face of these losses. To Canadian trade in general and to the National Railways in particular the gains had been considerable: "Large shipments, which have been handled by the Merchant Marine at the low rates prevailing, have provided traffic return to the National Railways. Much business of this character would have been handled through foreign ports and by other or foreign railways if the Company's vessels had not been available. Boards of Trade throughout Canada and exporters of many products have placed on record their appreciation of the assistance the Merchant Marine has rendered to them, without which they claim a large amount of export business secured would have been lost to other countries." During the year 235 voyages were made by the Company's ships. The Balance Sheet showed Assets of $82,668,252 of which $69,334,-430 stood as the cost value of the Fleet; the Liabilities were chiefly in notes payable, and due, to the Dominion Government, secured by mortgages on the ships, and totalling $78,668,668.

The Canadian Pacific Steamships Ltd. The C. P. R. Steamship Service held its course in 1921 along the usual lines of successful and profitable operation. Early in the year the Railway management re-assumed control of the Canadian Pacific Ocean Services, Ltd., in its traffic organization, and Sir Thomas Fisher, the European Manager of the latter, stated, on Feb. 16, that it had been done in the interests of economy and efficiency. A little later it was officially announced in London that the C. P. R. had been appointed sole traffic managers for the C. P. O. S., Ltd., and that all traffic—freight and passenger—in connection with these ships would be under the control of and directed by the C. P. R.; that in its organization from Apr. 4, onwards, there would be a merging of offices and officials with W. G. Annable, General Passenger Agent, becoming, also, Assistant Passenger Traffic Manager; that in England the Transportation management would remain in the hands of Sir Thomas Fisher, K.B.E. The C. P. R. Company had, at this time, 82 ships in Ocean, Lake and Coastal Services, with a tonnage of 438,604 and separate ocean services from Quebec and Montreal to Liverpool, to Glasgow, to Southampton, to Bristol, to London, to Antwerp, to Havre, and from Vancouver to China and Japan and to Australia and New Zealand. During the year incorporation was changed with the above name.

Meanwhile, a new Service was inaugurated to the West Indies—the *Sicilian* sailing from Montreal *via* Boston to Cuba

and Jamaica; there were two of the "M" ships under construction—the *Montrose* and *Montclare*—of 16,500 gross tons; the *Empress of Canada*, a 22,500-ton ship, was under re-construction for the Empress Pacific fleet, while the Company purchased three great German steamships (*Kaiserin Auguste Victoria*, the *Tirpitz* and the *Prinz Friedrich Wilhelm*) which they re-named, respectively, the *Empress of Scotland*, the *Empress* of *Australia*, and the *Empress* of *India*—the first of these (25,037 tons) was put on the Atlantic route as was the third (17,082 tons), and the other (21,400 tons) was under re-construction for the Pacific. Other accessions to the active Fleet included the *Princess Louise*, launched at Vancouver, on Aug. 29, from the Wallace Shipyards by Mrs. J. W. Troup, to be the principal ship on the coastwise service of the C. P. R., and the *Montclare* (16,200 tons) launched at Glasgow, on Dec. 17, by Lady McLaren Brown. Sir George Brown in describing the shipping record and position of the C. P. R., stated that it had, altogether, expended $100,000,000 on the Clyde in the construction of its vessels.

Incidents of the year included the increased competition of U. S. shipping in the Pacific with the advent there of six new American liners of 13,800 tons each running from Seattle or San Francisco to Japan, China and Manilla—the C. P. R. steamers remaining, however, the largest, fastest and most luxurious vessels on that route; in March it was announced that the Dominion Government had agreed to permit general Oriental mails being carried on the fast C. P. R. liners—this mail matter having for a time been carried from Seattle in other than Canadian ships; a little later it was stated that the C. P. R. would have an exclusively Canadian wireless service, nightly, to all the Company's liners on the Atlantic; an interesting feature of the Canadian Pacific liners during this year was in the train-loads of silk shipped from its Pacific vessels to Canada and U. S. land centres—three million dollar cargoes being not uncommon and that of the *Empress of Asia* (Apr. 19) being valued at $8,500,000.

In October the C. P. R. inaugurated a Baltic passenger traffic by the *Scandinavian*, leaving Montreal on Oct. 1st, and the *Corsican* (Oct. 15) with Dantzic as the port-of-call; at this time it was announced that the British Government had selected the C. P. R. Line and the steamers *Scotian* and *Victorian* to carry its troops to India; during this year the *Empress of Japan* completed her 155th voyage between Vancouver and Hong Kong, or a total of 2,500,000 miles in C. P. R. service. In the well-known case of the wreck of the *Princess Sophia* off the Alaskan coast in 1918 the C. P. R. (Nov. 25) won a verdict from Seattle Courts that its damages as to passengers, baggage and cargo should be limited to the value of the ship, the passenger fares and the cargo tariffs charged; in December a change was made by which C. P. R. Liners were to dock at Southampton in future instead of Liverpool; at this time, also, it was stated that the C. P. R. had arranged for all their trans-Atlantic steamships to be fitted up

with cinematograph outfits for the entertainment and education of ocean travellers, and that these were to be equally available to persons travelling steerage and in the saloon. The C.P.R. annual Report for 1921 showed the net earnings of its Ocean and Coastal Steamship Lines as $2,785,614.

The Canada Steamship Lines, Ltd. The Report of this Company for the year of Dec. 31, 1920, showed Fixed Assets—Ships, real estate, Docks, etc.—of $35,468,716, with $6,261,584 allowed for Depreciation reserve; Current and working Assets of $8,017,693; Leases, contracts and Good-will $8,424,646 and a total of $48,894,394; the Liabilities included Capital stock, $24,500,000, Funded Debt and Bonds of $6,501,483 and current or accrued liabilities of $7,547,999; the Revenue was $20,248,611, the Expenses $16,220,337, the Net Earnings $4,028,274, and the Profits of the year $1,932,772 with a Surplus of $8,611,147. In February the usual quarterly dividend of 1¾ per cent. on Preferred stock was declared but that on Common was passed with the statement that while the earnings of the year had been excellent, the Directors had decided to await developments in certain financial proposals for capitalizing the increased assets of the Company. J. W. Norcross, the President, was at this time in England, where he had been appointed to represent Canada on a Government Commission enquiring into Trade conditions; on Mch. 2nd a cable stated that he had been received in audience by the King.

At the ensuing annual meeting in May, F. S. Isard, Comptroller, was appointed to the position of Managing Director of the Company, in succession to Mr. Norcross, who retained the position of President and chief Executive Officer. It was announced that the new financing plan had been approved, almost unanimously, by the Shareholders; Mr. Norcross presided and stated that arrangements had been concluded with Norwegian shipowners by which their vessels, in conjunction with the ocean vessels of the Company, would be operated by the latter between Canada, England and France; the suspension of dividend upon the Common stock was confirmed and the new Directors elected were Viscount Long of Wexford, J. W. Norcross, Dr. W. L. McDougald, Tancrede Bienvenue, and F. S. Isard, together with H. B. Smith, D. B. Hanna, J. P. Steedman, G. H. Smithers, W. E. Burke, Hon. J. P. B. Casgrain, J. E. Dalrymple, Edmund Bristol, M.P., Hon. Frank Carrel and M. J. Haney.

In April the Company re-entered the trans-Atlantic trade with its affiliated concern called the Inter-Continental Transports, Ltd., which in turn, was connected with the Bergen Agent, A.S.—a Norwegian Company; Japp Hatch & Co., London, were appointed European agents and operation began in June with a Line of 12 ships running between Montreal and Liverpool and between Montreal, Havre, and London, as the immediate objectives. In June, also, the *Manoa* re-opened for the Company a regular service between Montreal and Newfoundland. As stated,

early in September, an issue of $6,000,000, 7 per cent., first mortgage collateral bonds was put on the market, but sold rather slowly; in October the Company's Traffic Manager (J. F. Pierce) announced that travel on the Great Lakes and the Northern Navigation Division had been greater than in the banner year of 1920.

The Fixed Assets in the annual Report for Dec. 31, 1921, showed a total of $31,821,859, with $6,566,496 allowed for Depreciation Reserve; during the year $3,873,595 had been written off Ocean vessel account; the Current and working Assets were $5,472,929, after $1,362,466 had been reserved for doubtful accounts and $1,030,165 charged as losses due by underwriters; Investments were stated at $3,673,404 less a reserve of $1,250,000; the Leases, Contracts and Good-will were placed at $8,424,646 and the total Assets at $42,525,193. The Liabilities included Capital Stock of $24,500,000, Funded Debt bonds of $7,861,890 and Current and accrued Liabilities of $6,306,424; the year's Revenue was $12,786,679, Expenses $10,434,100 and Net earnings $2,352,579; after necessary Reserves, interest, taxes, etc., had been deducted the year's profit was stated at $772,850. The Surplus showed the effect of drastic changes and the writing down of Assets; the total, without any dividend on Common, was $3,610,719, as against $8,611,147 in Dec. 31, 1920.

Shipping Notes and Incidents of 1921.

Mch. 19. The White Star (British) Line announced direct bookings from Bucharest, Roumania, *via* Antwerp, to Canada; about this time the same Line acquired the largest ship in the world, the German liner *Bismarck* and refitted it for the Atlantic traffic as the *Majestic*.

Mch. 25. It was stated at London and Vancouver that the bulk wheat cargo (3,000) tons on the motorship *Buenos Aires* had reached England in perfect condition and the champions of the water route for western grain from Vancouver *via* the Panama Canal were elated.

Mch. 31. The Government Mail Subsidies and Steamship Subventions for the year beginning Mch. 31, 1921, totalled over $700,000 for the following Services not of a Local nature:

Canada and Newfoundland	$35,000
Canada, the West Indies and South America	340,666
Canada and South Africa	146,000
Canada, Australia or New Zealand, or both (Pacific)	130,509
Prince Rupert and Queen Charlotte Islands	21,000
Victoria, Vancouver and Skagway	25,000
Victoria and West Vancouver Island Coast	15,000
Vancouver and Northern Ports of British Columbia	24,800

Mch. 31. During the fiscal year ending at this date in 1921 the total tonnage of ships entering and leaving Canadian ports was 54,648,530 tons against 49,493,533 during the previous year; the total tonnage engaged in the coastwise trade, entering and leaving Canadian ports, was 56,225,509 tons as against 60,552,658 tons in 1920; during the same period tons of shipping constructed in Canada amounted to 95,838, while 188,915 tons of shipping were registered in Canadian ports; 34,623 tons of shipping valued at $8,456,573 were sold to other countries as against 53,407 valued at $17,819,477 in 1920.

Apr. 16. To illustrate the importance of the Great Lakes shipping and transportation interests, it was stated at Washington by the Great Lakes-St. Lawrence Tide-Water Association that the total tonnage

moved on these waters in 1916 was 125,000,000; from Atlantic ports 80,000,000; from Pacific ports 10,000,000; from the Gulf Coast, about 15,000,000; from U. S. Rivers and Canals some 20,000,000.

May 8. A party of Canadian Senators were shown, at Quebec, the great grain elevators, capable of handling 2,000,000 bushels, and now seldom used because most of the Western wheat was shipped *via* Portland, Me., and other United States ports.

May 21. The British Royal Mail Steam Packet Co.—after an interval of nearly 60 years—re-entered the trans-Atlantic service with the sailing of the *Orbita* from New York for Cherbourg, Southampton and Hamburg.

June 16. In order to stimulate the movement of cargoes from Pacific Coast ports to Australia and New Zealand, the General Steamship Corporation, the Oceanic Steamship Co. with carriers plying out of San Francisco, the Canadian Government Merchant Marine and Canadian-Australasian Line operating from Victoria and Vancouver, B.C., agreed upon sweeping reductions in freight rates to be placed in immediate operation.

July 23. News was received at Winnipeg that the ocean freight rate on cattle shipped from Montreal to England had been reduced to $30 per head.

July 28. The first shipment of chilled meat that ever left Vancouver for the United Kingdom or the Continent was sent out on the Holland-America Line steamer *Kinderdiik* with over 5,400 carcasses of mutton in the consignment.

Aug. 16. In honour of the opening of a direct line of steamships between Canada and Italy, a banquet was given on the *Caserta* of the Navigazione Generale Italiana, the first Italian steamer to commence the run on this route. The C. P. R. supported this venture but in November it was discontinued.

Sept. 28. At a meeting of the various shipping lines of Montreal, it was decided to make a reduction of 10 per cent. in the existing freight rates for grain shipped from this port to points in the United Kingdom.

Sept. 28. Pat. Burns, the well-known Western Canada stockman, told the *Calgary Herald*, as to shipping cattle to Great Britain, that the great obstacle to success was in the ocean rates and pointed out the wide divergence between pre-war rates averaging about $7 a head, and current ones of $35.

Nov. 1. A. E. Mathews of the Mathews Steamship Co., Toronto, announced that 9 French freighters, formerly known as the Wolverine fleet, were crossing the Atlantic to join his Fleet on the Upper Lakes and that the deal involved an expenditure of about $2,500,000.

Dec. 31. During the season of 1921, shipments of grain from Fort William and Port Arthur, by boat, amounted to 230,471,866 bushels, a total exceeded only in 1916, when the phenomenal crop of 1915 was marketted and the figures were 267,284,328. A tabulated statement of the shipments for three years is given below—exclusive of Rye, which did not exceed 3,000,000 bushels in a year:

	Wheat, Bus.	Oats, Bus.	Barley, Bus.	Flax, Bus.	Total
1919	94,172,278	16,602,436	12,906,809	1,207,205	125,992,057
1920	116,866,181	14,786,478	6,515,945	1,767,675	142,061,490
1921	161,261,488	49,130,622	12,585,910	4,383,304	230,471,866

Dec. 31. The Shipping Federation of Canada (Montreal) after reviewing the total number of 1921 arrivals in port at Montreal as 964 vessels, or an increase of 301 vessels of 860,227 registered tons over the year 1920, proceeded to state that during 1921: "The shipping industry experienced a period of depression which has rarely, if ever, been equalled, resultant upon the serious slump in trade and commerce which has affected the entire civilized world. The world's aggregate shipping which in 1914 stood at 49,000,000 tons, to-day stands at 62,000,000, so that owners necessarily have difficulty in securing remunerative employment

for this tonnage; forced sales by auction, not only of single ships, but of whole fleets, have been seen of late, and almost without exception every round voyage of a large vessel to-day shows a loss of between £3,000 and £4,000."

Dec. 31. The shipments of grain from the Port of Montreal reached record figures in 1921 with 119,602,189 bushels of wheat, corn, oats and barley as against 53,148,305 bushels in 1920, which was about the average in the past ten years.

Dec. 31. The Canadian Robert Dollar Steamship Co. of Vancouver had a prosperous year in 1921 and the veteran Capt. Dollar—a noted figure on the Pacific—was the head of a fleet of 24 sailing ships and steamers running out from Seattle as well as Vancouver. A German freighter (*Kurland*) was added to its New York-Vancouver-Orient Service in February and in April it was stated that the Canadian Dollar Co. would market all products of the Whalen Pulp & Paper Co., including pulp, lumber and shingles, for a period of three years; at this time the biggest cargo of shingles ever shipped from Vancouver for the Atlantic coast was put on the steamer *Bessie Dollar*—a total of 12,000,000 in number; in May, A. Melville Dollar, Managing-Director, welcomed to Vancouver and their Pacific Service a new ship, the *Robert Dollar*, of 26,000 tons displacement and running 11½ knots.

Canadian Canal Statistics and Conditions in 1921.

The Canal business of Canada decreased in 1920 and showed an increase in 1921; in the former year there was a decreased tonnage of 1,259,883 owing to American competition at Sault Ste. Marie and Buffalo. Freight traffic on the Canadian canals increased 671,638 tons during 1921 compared with 1920, due to increases on the Welland Canal of 800,350 tons and on the St. Lawrence of 666,103 tons—heavy grain shipments being chiefly responsible for these increases. There was, also, a small increase of 456 tons through the St. Andrew's Canal. All the others showed decreases, the largest being that of the Sault Ste. Marie, totalling 480,226 tons. Traffic through the U. S. Sault Canal also showed a decrease of 30,545,288 tons. These decreases were due almost entirely to the depression in the Iron industry, the reduction in iron-ore shipments being 730,568 tons through the Canadian Sault and 33,326,608 tons through the United States locks. At this time the through water route between Montreal, at the head of ocean navigation, and Fort William and Port Arthur, on the west shore of Lake Superior, comprised 74 miles of Canal, with 48 locks and 1,155 miles of river and lake waters, or a total of 1,229 miles. The minimum depth of water on this route was 14 feet. From Montreal to Duluth, on the southwest end of Lake Superior, the total distance was 1,354 miles, and to Chicago, 1,286 miles. Connection was made with the C. P. R. from points west and south at Fort William and Port Arthur (6 miles apart). From Fort William connection with the main transcontinental line of the National Railways was made by a branch line.

On the through route the approaches to the Canals and the channels of the intermediate river reaches were well defined, and lighted with gas buoys under the control of the Department of Marine, and admitted of safe navigation, in the hands of com-

petent pilots, both by day and night. The Lachine, Soulanges, Cornwall, Welland and Sault Ste. Marie Canals were lighted throughout by electricity, and electrically operated. The Farran's Point Canal was lighted by acetylene gas. Of the minor systems, the Murray, Trent, Rideau, and Ottawa River Canals were geographically branches of the through east-and-west route, though, in operation, they served a distinct traffic of more local nature.* During the year work continued on the new Welland Ship Canal and various improvements were affected on the Trent Canal while large plans were under international discussion for the enlargement of the St. Lawrence Canal System.

In Parliament on May 4 the Welland and Trent Canals were up for discussion and a good deal of opposition was expressed to their being allowed free of tolls. Lucien Cannon (Lib.) put his view as follows: "What is the idea of keeping the Canals free? Why should not the Government charge tolls on these Canals? If the policy of no tolls is good concerning the Canals, why not apply it also to the Railways? It would not make our railway deficit any bigger. Why not have free harbours? It seems to me there is absolutely no sense in this policy. Why spend millions of dollars in opening up Canals and keeping them in repair and not charge anything to the users?" Dr. Reid, Minister of Railways, stated that the reason for adoption of this policy, 15 or 20 years before, was "to prevent the traffic from the West and other parts of Canada going by the Erie Canal and through United States ports. The United States Government made all their canals free, and if we had not adopted the same policy, the traffic would have gone *via* Buffalo and American ports."

F. H. Keefer claimed that free Canals meant cheaper coal and a better price for Western wheat: "The price of the wheat of the Northwest is governed by the Liverpool market, and the price the farmer gets is the difference between that market price and the cost of getting it there. So, if we put a toll on the canals, it would mean the farmer would have to pay that toll." Hon. Mr. Crerar was inclined to favour a toll: "I think there is a good deal to say in favour of the argument that every vessel that passes through a Canal should pay a toll, but that in the case of the Welland Canal something may be said on the other side. But I should like to know what on earth can be advanced in support of no tolls on the Trent Valley Canal or on the Rideau Canal. The Trent Valley Canal has cost this country about $20,000,000 and we are asked now to vote thousands of dollars to keep it up."

An Estimate for $5,000,000 to be spent on the new Welland Canal and $339,000 upon the Trent evoked an equally wide discussion. As to the former, Hon. Dr. Reid said that: "The original estimate in respect to the Welland Canal was, I think,

*Note.—See Annual Report of W. A. Bawden, Chief Engineer, Department of Railways and Canals.

$50,000,000. That is the total amount required to complete the work and make the Canal of sufficient depth to accommodate vessels of nearly 25-foot draft and of a very large tonnage. The present capacity of the Canal, so far as wheat is concerned, is for vessels of about 75,000 or 100,000 bushels; when it is completed vessels with a capacity of 300,000 or 400,000 bushels will be able to pass through. In my opinion, with the enlarged Canal, the rates from Port Arthur and Fort William to Montreal will go away down." Other speakers claimed that this Canal would cost $75,000,000 before completion; Mr. Crerar continued his criticism of Trent Canal maintenance. Dr. Reid stated that: "To complete the Trent Canal through to Georgian Bay—to make it a complete waterway—will take about $1,500,000. To complete the contracts on the Welland Canal, will take about $15,000,000 spread over three or four years." J. A. Campbell claimed that the Welland enlargement would be a positive disadvantage to Canada:

1. It will admit to Lake Ontario an enormous fleet of upwards of 500 large American freighters, and extend to that Lake the keen competition now so seriously felt by Canadian carriers on the Upper Lakes.
2. It will increase the length of haul of these large American freighters equally with that of Canadian vessels.
3. It will enable American freighters to load American anthracite coal as return cargo 90 miles nearer the mines than at Buffalo, thereby saving the rail haul on every westbound cargo to that extent.
4. Canadian vessels will gain merely the increased length of haul in large freighters; the point of trans-shipment will be merely changed to Kingston instead of Port Colborne.

C. G. Power, T. A. Vien, K.C., J. F. Reid, W. D. Euler, and other Oppositionists spoke against the Canal policy of the Government. There was no doubt, however, as to the general value of Canals expressed to the United States Senators, Canadian Ministers and international representatives who visited the St. Lawrence Waterways in July following. W. G. Ross, President of the Montreal Harbour Commission, in addressing the visitors (July 16) referred to "the magnificent waterway, its possibilities and the great position it is bound to occupy in the transportation affairs of both the United States and Canada—important to the West through its outlet for their produce; important to the East through its power possibilities; important to both countries in its co-ordinated construction in keeping with the enormous growth and progress of both the United States and Canada."

There might be differences as to methods and means but the Canals, etc., already financed by Canada to a total of $80,000,000 should, he declared, inspire the most faint-hearted. On the other hand was the contention of many thinkers and publicists—notably Prof. Moulton of Chicago University in his book *Railways versus Waterways* that Canals all over the world were becoming more or less obsolete! In Canada the official figures for 1921 showed that the freight traffic on Canadian canals in-

creased 672,182 tons during 1921 compared with 1920, due to large increases in shipments of grain and lesser increases in shipments of pig-iron, iron and steel, petroleum and oil and sugar. The traffic on the Welland and St. Lawrence Canals was the heaviest on record—except in 1913 and 1914. There was a decrease on the Canadian Sault Ste. Marie Canal of 480,226 tons, and of 30,555,288 tons of freight through the American locks due almost entirely to the slump in iron ore shipments. The Welland and St. Lawrence had increased, while all the others showed a decrease. The details were as follows:

Name of Canal	Total Traffic 1920 (Tons)	Total Traffic 1921 (Tons)
Sault Ste. Marie	2,477,818	1,997,592
Welland	2,276,072	3,076,966
St. Lawrence	2,067,962	3,734,065
Ottawa	233,329	171,769
Rideau	97,837	95,012
Trent	53,660	44,247
Chambly	325,322	180,280
St. Peters	61,373	56,123
Murray	136,235	34,280
St. Andrews	5,775	6,231

The Electric Railways of Canada: Toronto and Other Street-Car Lines.

The Electric Railways had a hard year in 1920 with increased operating revenues but decreased net returns; the figures showed a net operating revenue of $9,804,762 as against $9,312,884 for the previous year. The total operating revenues increased from $40,698,586 to $47,047,246 and the expenses from $31,385,702 to $37,242,483. After paying taxes, interest, etc., there was a net corporate Income of $954,818 as against $3,704,066 for 1919 and, after making deductions for dividends, there was a total deficit of $2,421,286; 13 of the 66 railways reporting declared dividends amounting to $3,376,194; 41 of the roads had deficits amounting to $3,658,911 while the other 25 showed surpluses for this year amounting to $1,237,625.

The total capitalization of Electric Railways in 1920 was $170,826,404 made up of $91,321,955 of stocks and $79,504,449 of funded debt. The passengers carried numbered 804,711,333—or an increase over 1919 of 55,376,953 and 7·4 per cent., while the passenger receipts amounted to $43,279,009—or an increase of $5,731,553 and 15·3 per cent. The number of employees was 17,341 and the total pay-roll amounted to $24,235,932 or an increase of $4,024,356 and 19·9 per cent. The Canadian Electric Railway Association held its annual Convention at Ottawa on Feb. 1st, and G. Gordon Gale, Vice-President of the Hull Electric Railway Co., was elected President with Major F. D. Burpee, Manager of the Ottawa Electric Railway Co., as 1st Vice-President.

Toronto Transportation Interests in 1921. The history of the Toronto Railway Co., Ltd., as a private corporation in control of the City's Street Railway, came to an end in 1921 after a

long record of great prosperity which ended in the year of Dec. 31, 1920, with gross earnings of $7,909,891 and Operating charges ($6,626,508) Interest, Taxes, payment to City as percentage of earnings ($1,308,339), etc., totalling $8,744,745. There was, however, a credit balance in Profit and Loss account of $5,161,-100 after this deficit was deducted; the Assets reported at date were $21,683,174 of which $19,681,262 was in values of road and equipment; the passengers carried in 1920 were 197,346,726 or over 14,000,000 more than in 1919 and comparing with 109,415,-264 in 1910; the net earnings were, roughly, $1,000,000 less than in any of the years from 1910 to 1917 inclusive; the percentage of charges to passenger earnings were 79·5 in 1919 and 84·2 in 1920, compared with 51·6 per cent. in 1910 and between 55 and 57 per cent. in 1911-17. This was the Railway which, under the Sir William Mackenzie and City "clean-up" agreement, was to have come into Civic possession at the first of the coming year —following varied ratepayer votes along Public ownership lines which may be summarized* as follows:

Year	Purpose	For	Against	Majority
1911	Civic Car lines	14,609	4,182	10,427
1912	Civic Car Lines	13,817	5,675	8,142
1914	Purchase Mimico Ry. (City Section)	15,200	7,749	7,451
1915	Purchase Scarboro Ry. (City Section)	15,938	7,958	7,980
1915	Civic Car Lines	18,055	7,643	10,412
1916	Western Hydro Radial	21,247	5,711	15,536
1918	Acquiring Toronto Railway	40,328	3,725	36,603
1920	Acquiring Toronto Railway	21,771	2,826	18,945
1920	Money for same	18,373	4,133	14,240
1920	Eastern Hydro Radial	31,378	2,356	19,022
1921	Purchase Toronto Electric Light Co.	28,609	1,864	26,745

The Toronto Transportation Commission (P. W. Ellis, George Wright and F. Miller) assumed charge of the System on Aug. 31, 1921, but it had been appointed and organized in the preceeding year, and, an Apr. 26, 1921, had announced that 100 cars of a new and up-to-date character and 80 trailers were being ordered from the Canadian Car and Foundry Co., Montreal, at a cost of $1,270,000, that it was the intention to retain the existing gauge of track and that a general reconstruction of the System would begin in the Autumn. On May 26 the Commission described a contemplated expenditure of $7,000,000—appropriated by the City Council—in the above matters and for connecting up the Toronto Railway and the existing Civic systems; for providing the plant and materials necessary for the rehabilitation of the existing System and the laying of new lines and extensions, special work, overhead equipment and materials generally; for new car-barn and shop facilities, preparation of designs for new plant and equipment and general organization work. Following the formal taking over of the System, on Aug. 31, increased passenger rates were inaugurated of 7 cents cash, 4 tickets for 25 cents, 50 tickets for $3.00 and 15 cents night-fare, with children of 51 inches, or under, in height 4 cents or 7 tickets for 25 cents and night-fare the same as adults.

NOTE.—Complied by Toronto *Star*, Jan. 4, 1921.

Some controversy as to rates and other matters developed during this period with Mayor Church and the Council, but on Aug. 31 the latter body finally voted by 18 to 10 to transfer the System and the existent Civic lines to the Commission, and this was duly done. In October there was published a statement of the Commission's operations for the 12 months ending Aug. 31, 1921, and covering expenditures, on capital account only, for a period of one year which had been devoted by the Commission to preparation and organization prior to assuming actual control. It had received during this period, as installments of a Civic grant of $10,000,000, the sum of $2,200,000. Of this total the sum of $1,200,000 was received by the Commission on or before Aug. 31, with expenditures of $249,574 on Equipment, $363,478 on Stores, rails, ties, etc., $232,789 on property and $132,075 on salaries and wages. Up to Oct. 27 a further advance of $1,000,000 was made by the City.

Meantime, the Arbitration Board—composed of Hume Cronyn, M.P., (Chairman) Sir Thomas White and Sir Adam Beck—and appointed to assess the amount to be paid the Toronto Railway Co. as compensation, had been sitting on the case; a first result of the formal transfer being that the old Company had not enough money available to redeem $2,275,000 4½ per cent. bonds that fell due on Aug. 31. On Sept. 14 the Arbitrators decided to limit the witnesses for the City to 24 and for the Company to 24. Counsel for the latter (Hon. N. W. Rowell, K.C.) contended that, on Aug. 31, "the whole system—tracks, cars, power-houses and repair plants—was a thoroughly organized and efficient one"; W. J. Hagenah, Chicago, appraisal expert, valued the Railway properties at $20,447,612—if exclusive of real estate, defined as land, he put it at $19,491,676. On the other hand, it was contended that immense and immediate capital expenditures were required owing to the run-down nature of the System; that many additional lines and new tracks would have to be constructed; that the rolling-stock was in a deplorable condition. No decision was reached at the close of the year.

The Montreal and Winnipeg Street Railways. The Montreal Tramways Co., Ltd., had in 1921 an effective control over the Street transportation system of that city. E. A. Robert was President; J. W. McConnell and Hon. G. G. Foster, K.C., were Vice-Presidents; the Directors were W. C. Finley, P. J. McIntosh, W. G. Ross, J. M. McIntyre, Hon. J. M. Wilson and Hon. Lorne C. Webster; J. E. Hutcheson was General Manager and Patrick Dubee Secretary-Treasurer. The annual Report for June 30, 1921, showed a gross revenue of $2,411,329 and expenses of $1,950,272; a dividend of 10 per cent. and Surplus of $72,063 with $941,175 carried forward from 1920; a deferred dividend of $96,529 was paid and the general Surplus remaining was $916,709. During the year the Company had sold $150,000 of 5 per cent. Debenture stock and issued $1,000,000 of 5 per cent. 30-year gold bonds.

Under the terms of its contract with the City, the Company provided another yearly $100,000 for the Guarantee Fund of $500,000 which then totalled $300,000; on Aug. 16th wages were reduced by 12½ per cent. The Assets of the Company were $46,371,530 of which $43,211,978 were the cost of Road and Equipment; the Liabilities included $40,807,106 of Common and Debenture Stocks, 5 per cent. mortgage gold bonds and Underlying Bonds. In November it was announced that the Company had successfully completed the sale of $1,750,000 of its 5 per cent. first and refunding mortgage bonds to cover capital expenditure already made. According to statements by Judge J. F. Saint-Cyr, Chairman of the Montreal Tramways Commission (Apr. 6) there were 51 lines of tramways traversing Montreal and these were divided into three categories: 19 good, 14 medium and 18 bad. The paying passengers were 183,350,923, the miles of single line were 243 compared with 129 in Toronto and the transfers were 65,711,288 and in Toronto 70,446,128.

The Winnipeg Electric Railway Co., of which Sir Augustus Nanton was President, A. W. McLimont, Vice-President and General Manager, and F. Morton Morse, Secretary, had gross earnings in the year of Dec. 31, 1921, totalling $5,418,023; its Operating expenses—excluding Depreciation—were $3,559,380 and the Income available for Fixed charges $2,020,050; the Net Income after deducting various charges, taxes, etc., was $928,-964. There was an increase of $181,323 in gross earnings and $132,389 in net income—despite industrial depression and a diminished use of electricity, gas and traction services. From the profits were deducted dividends on Preference stock, and an additional allowance for depreciation, with $422,941 carried to Surplus account. The Report concluded by saying that: "The Company has continued its policy of maintaining good relations with the public and has given wide publicity to the problems confronting it so that all patrons may be acquainted with the conditions surrounding the operation of the properties."

During the year there were the usual differences between the City and the Company; on Apr. 4 the City Council decided to enter into general negotiations with the Company, without prejudice. The jurisdiction of the Public Utilities Commission over the Railway and the possibility of the Company obtaining control of all the Power interests of the City were important objects of dissension. The Committee appointed by the Council finally made a new Agreement with the Company and this was approved by the Council on July 22. It established a fresh schedule of fares which represented a reduction in the charges and was to come into force on Aug. 1st. The Company's appeal to the Privy Council from the decision rendered by the Manitoba Court of Appeal, granting it an increase in rates as allowed by the Public Utilities Commission, was withdrawn; By-law 543 embodying the original Agreement between the City and the Company and giving the City Council control of its own

streets was to be maintained in its entirety except as to fares; an annual revision of the fares was provided for, with arbitration if necessary; all agreements and dealings between the City and the Company were to be placed beyond the jurisdiction of the Public Utilities Commission; the rights of the City at the termination of the franchise in 1927 were to be in no way affected.

The British Columbia and Other Electric Companies. The Provincial change in the rule of the road from left to right, as generally practised on the Continent, caused the B. C. Electric Railway, Ltd., of Vancouver and Victoria, some trouble and expense in 1921; its 24th annual meeting was held in London on Jan. 20, with G. P. Norton presiding; it was pointed out that dividends had been paid on the Preferred or Deferred ordinary stock since 1914-15; the statement showed that in 1908 the capital, including debentures, was £1,880,458; in 1910 it had increased to £3,535,341; in 1912 to £6,164,855; and since then had grown to £8,913,870. Mr. Norton stated that: "We should be satisfied with the results achieved this year if we were assured of being permitted to carry on our business permanently under reasonable conditions. x x x We realize, and British Columbians must realize, that pre-war returns are not sufficient to attract capital for the development of public utilities such as ours—the growth of which is inevitable if the districts we serve are to receive in the future the services they have been accustomed to in the past—and that we must be allowed to earn a return sufficient to attract capital at the current market rates." As to this it was stated that, in 1920, 9,361 freight cars were handled compared with 7,463 in 1919; there were in Britain 12,000 separate holders of stock in this Company.

Meantime, popular efforts for reduced fares were being made and, as to this, George Kidd, General Manager, told the Vancouver Council, on Feb. 4, that: "It is impossible for the Railway to operate on less than a six-cent fare under present conditions. The fare was raised to pay increased wages and will have to be retained unless wages are cut. Additional capital to enable the Company to keep pace with the growth of Vancouver cannot be raised until the fare question is definitely settled." Hence the Company's desire to be placed under the Dominion Railway Commission, following the collapse of the Provincial Utilities Commission and the legal necessity of reverting to a 5-cent fare on July 1st—under which, it was maintained, the Company could not operate. The policy of the Company was embodied in the application of the Vancouver, Fraser Valley & Southern Railway to extend its Dominion charter in order that it could purchase the B. C. Electric Railway Co. business on the Mainland and Vancouver Island. Such a move would take the Company out of the jurisdiction of the cities concerned.

The whole matter came before the Union of B. C. Municipalities on Feb. 10, and, in an elaborate statement submitted

by the Company, the various complications were reviewed and, especially, its recent acquisition of the Western Power Co., a step "absolutely essential if the continuity and reliability of our power supply on the mainland is to be maintained." But, it was added: "If we are to continue to carry the responsibility for the supply of power, light, transportation and gas in the districts we serve, very large sums of money will be necessary in the near future. This money cannot be raised under the present wholly unsatisfactory conditions." The Union, however, decided to oppose the application because of possible danger to Civic control of streets; eventually it was withdrawn with the Vancouver Council agreeing to a 6-cent rate until June 30, 1922.

Long negotiations followed and an agreement between the City and the Company was tentatively accepted by the Council on May 4; a Resolution of the Board of Trade (June 28) opposed its terms and urged control of the Company by the Railway Commission; the Union of Municipalities at Alberni (Sept. 1st) asked for legislation reviving the B. C. Public Utilities Commission. More opposition in Vancouver developed and the Agreement never became effective, though time, ability and skill had been put into its preparation. As finally published, the year's earnings of the Company (June 30, 1921) were over $9,500,000, or an increase of $824,250; the net earnings gained to the extent of $143,929. The Company in 1920-21 carried 71,065,275 passengers, as compared with 66,411,030 in 1919-20. In 1920-21 it delivered 140,285,620 K.W. of electric energy for light and power as compared with 120,173,919 K.W. in the previous year. In 1920-21, 45,770,600 cubic feet of gas were sold as compared with 41,746,000 the previous year.

As to other Street Railway Companies, the Ottawa Light, Heat and Power Co., operating the Ottawa Street Railway, had a gross revenue (Dec. 31, 1921) of $1,652,051, operating expenses of $1,108,673, net earnings of $320,261, and Surplus of $110,261; the total Assets were $9,214,207. The Ottawa Electric Railway lines and equipment were valued in a Report (Nov. 14) by T. W. Fairlie, Engineer of the Hydro Electric Commission, at $4,110,922, and, as the franchise lapsed in August, 1923, the matter was of importance. On Dec. 17 it was stated that the Company was willing to accept an agreement calling for a 5-cent fare, should a majority of the electors pronounce in favour of another contract for a period not exceeding 30 years.

The Hamilton Street Railway was operated by the Dominion Power and Transmission Co., Ltd., of which Lieut.-Col. J. R. Moodie was President and Cyrus A. Birge Vice-President, W. C. Hawkins, Managing-Director, and E. P. Coleman, General-Manager. The Report for 1921 showed gross earnings of $3,758,947, Operating expenses of $2,846,287 and Profits of $407,357; the Assets were $23,979,464 and the Liabilities included Capital stock of $11,395,600; the Net Surplus was $1,347,885.

The N. B. Power Company of St. John had much trouble with its employees during the year and the decision of a Conciliation Board, in June, which suggested slight wage reductions, was denounced by the management and a scale of wages was posted along lines which it deemed necessary; a strike followed on June 29 and lasted for a month; the Company's general policy was stated on July 22 as a 5-cent fare, new cars, and adequate trackage properly looked after.

Aviation in Canada: General Conditions and Progress During 1921.

The development of Ærial traffic during this year was rapid in some respects, slow in others. Governments, whether in Canada, or Britain, or the United States, did little in helping Civil aviation and the depression made it difficult to get the necessary private capital. The British concern operating from London to Paris had great success for a term in 1920 and 1921; the popularity of the trip grew greatly and during Aug. 22-28 of the latter year the Company's machines crossed 114 times, carried 544 passengers and over 50 tons of mail and express; then the French Government gave a heavy subsidy to its own Aviation service and this new competition made results doubtful.

March had marked the low-tide of commercial flying in England, and during April-September, 1921, the mileage flown was 321,500, the number of passengers carried was 31,853. From May, 1919, until September, 1921, British commercial planes had made 81,155 flights, travelled about 1,915,200 miles and carried 142,341 passengers; between Aug. 26, 1919, and Nov. 30, 1920, according to the British Air Ministry, the value of Air imports was £685,054 and of exports £344,876—about $5,000,000 altogether. Following the subsidies granted by the French Government, air-transport Companies were formed to carry on regular services, a number of routes were organized, including Paris-London; Paris-Brussels; Paris-Strasbourg; Paris-Prague, and to other European centres. In Belgium the development of Civil aviation was considerable and the National Syndicate for the Study of Ærial Transport organized daily air mail and passenger services between Brussels, London, and Paris in conjunction with British and French companies. Germany subsidized aircraft firms and two of its great Steamship lines were active in financing the movement.

Great Britain, after seeking in vain for Dominion aid in creating an Imperial Military and Naval Air system, practically abandoned the effort so far as dirigibles and air-ships were concerned; the Imperial Conference discussed the subject but with no definite results except in Australia which took great interest in the proposals. A. H. Ashbolt, Agent-General for Tasmania, suggested a detailed and apparently practicable scheme and Mr. Premier Hughes obtained a vote of £200,000 from the Commonwealth Parliament to establish an experimental Service between

Australia and Great Britain. Meantime, a volume of proof seemed to show that, while British airships were excellent for scouting, for passenger trips and for carrying goods up to a certain point, yet the costs of construction, maintenance and operation were too great to warrant present development on a large scale. In Australia the expenditure on aircraft during 1921 was $2,500,000 with 12 seaplanes and 9 flying boats purchased and an Air Force establishment of 1,486—the vote in November, however, being reduced by one-half. Meanwhile, the Australian Government was using aircraft for long-distance postal and limited passenger services between the chief centres, and, by the close of the year, there were 3,000 miles of postal and commercial ærial highways in operation.

The United States showed marked development in Civilian flying with about 20 per cent. increase during the year—according to a Report of the New York Æronautical Chamber of Commerce. It was added that: "The U. S. Air Mail Service in 1921 made such a record for efficiency on the transcontinental route that it is recognized as a model for civilian ærial transport the world over. The Service has an average of 88·82 per cent. efficiency, that is, completed trips on scheduled time since it was started in May, 1918. The Air Mail has, during the last year, completed its wireless communications system—the 14 stations having Radio plants." During the year Aviation units were organized in many State National Guards; improvements were affected in designs, engines and operation; the Government was asked to establish a Bureau of Civil Aviation in the Department of Commerce and a Bill was prepared to this end; the Navy launched a seaplane at Philadelphia, preparatory to equipping surface craft with fighting and scout planes; the Bureau of Æronautics was organized by the Navy Department, and the various divisions of Naval aviation co-ordinated; the 1st Air Brigade was organized by the Army Air Service.

Summing up American Civil progress, it may be added that during 1921, 1,200 airplanes operated by civilians, throughout the United States, carried approximately 275,000 passengers a total of more than 6,500,000 miles in the air. The new Military Air Brigade, under Brig-Gen. William Mitchell, was inspected in Virginia, on June 11, with 120 war-planes of varied character in use. The Navy Department, later in the year, reported that U. S. Seaplanes carried during 12 months 6,814 passengers a distance of 95,020 miles without a single accident or mishap; in addition to this the flying boats operated by this Service transported 29,002 pounds of mail and freight.

Canada made some progress during the year, but not as much as friends of Aviation had hoped. The Government noted the progress made in the United States and the large number of aeroplanes and airships under use there—with over 300 operating along the Canadian border—and, in May, issued instructions to all aviators operating aircraft in the United States that

they could not fly into the Dominion without specific permission from the Canadian Air Board. The Canadian Air Board at this juncture consisted of the Minister of Militia and Defence (Mr. Guthrie) as Chairman, and O. M. Biggar, K.C., as Vice-Chairman; Maj.-Gen. Sir W. G. Gwatkin as Instructor-General; Lieut.-Col. R. Leckie, D.S.O., D.S.C., D.F.C., as Director of Flying Operations; Lieut.-Col. J. S. Scott, M.C., A.F.C., as Controller of Civil Aviation; Capt. W. Hose, C.B.E., Director of the Naval Service, and E. Deville, LL.D., Surveyor General. The 1st annual Report of this Board (1920) stated its objects as: (1) The regulation of Civil Aviation; (2) the conduct of Civil Government operations; (3) the air defence of Canada, including organization and administration of the Canadian Air Force.

During that year 284 temporary and 324 permanent certificates had been issued; much work was done in locating routes for air-travel and 7,350 miles of routes were flown over and surveyed; 30 firms were reported as operating aircraft and one in manufacturing them; the number of machine-made flights in Canada was 18,671 with 14 accidents reported; Air regulations were issued and proved satisfactory in practice. At Camp Borden, the Government Flying-ground for the Force, an excellent training system was in operation with 86 officers and 111 airmen completing their training in the last three months of 1920. At the beginning of 1921 there was a Branch of the Canadian Air Force Association in each Province with the following Chairmen: Alberta—His Honour R. G. Brett, Edmonton; British Columbia—H. Bell-Irving, Vancouver; Manitoba—D. C. Coleman, Winnipeg; Maritime Provinces—Flight Lieut. L. E. D. Stevens, Halifax; Ontario—Lloyd Harris, Toronto; Quebec—Colonel J. A. Scott, Quebec; Saskatchewan—Brig.-Gen. G. S. Tuxford, C.B., C.M.G., Regina.

The Canadian Government did not subsidize any commercial air services but it organized the existing material into an Air Force and aided in establishing the above Association; it supplied Camp Borden as a training and flying field, surveyed air routes and provided emergency landing grounds; it established an Operations Branch for the purpose of carrying out such flying operations, with heavier-than-air machines, as were required for the various Departments in relation to forests, fisheries, surveys, customs, etc., and for scientific experimental work; it loaned airships and lighter-than-air equipment to commercial companies. Canadian Air certificates in force on Sept. 30, 1921, were 475 and, at this date, it was reported by the Air Board that commercial aviation, though still in its infancy, was making considerable progress. During 1920, 18,671 flights were made and 6,505 machine hours flown; 15,265 passengers and 6,740 pounds of freight were carried and, in 1921, 22 commercial firms were operating over 60 machines.

In addition to passenger-carrying and exhibition work a number of large industrial firms were operating aircraft as

auxiliaries to their normal work. Lumber and pulp companies were particularly interested and several machines were operated by them for fire protection, forest survey, transportation work and exploration. Experimental operations in conjunction with the Forestry and Fishery Services and various Survey branches were carried out by the Air Board in 1920 with 398 flights covering 33,612 miles. This work was greatly extended in 1921 and from Apr. 1st to Sept. 30, 1.011 flights were made covering a total distance of 157,413 miles. Work at Vancouver, Sioux Lookout and Lake St. John was undertaken in conjunction with the British Columbia, Ontario and Quebec Governments, respectively.

The work of the Canadian Air Force in 1921 was steadily improved, with organization and training progress satisfactory. This was mainly confined to keeping officers and men who had served in the Air Services during the War in touch with flying by the provision of "refresher courses," carried out at Camp Borden, Ont. During the year of Oct. 1st, 1920, to Sept. 20, 1921, a total of 407 officers and 840 men received this training; combined operations in conjunction with the Militia and Naval Force were carried out in different parts of the country during the Militia training season. The terms of service in the Force included enlistment for 4 years with a training duty of 28 days. Periods of staff duty at Camps were optional to recruits and these periods extended from three to six months, or less if services were no longer required. The rates of pay were as follows: Warrant officer, $2.05; flight sergeant, $1.80; sergeant, $1.45; corporal, $1.25; first air mechanic, $1.15; second air mechanic, $1. Airmen employed on staff duties received double the above rates. Toward the close of the year there were 33 Air Harbours licensed and in operation.

The general subject of Aviation was discussed in the Commons on May 23, when Estimates were presented for Air Force salaries and contingencies of $100,000, Civil Aviation $700,000, and the Air Force $825,000. Mr. Guthrie, Minister of Defence, stated that the 1920 expenditures (the first year) had been $375,000 larger than the above figures; gave details of the Air Board's operations in surveying Northern Quebec, in taking air photographs of that and other sections of the country, and in fire-ranging through the forests and explorations on the coasts of British Columbia; described similar operations elsewhere and the charge of Naval air stations at Halifax, etc. A. R. McMaster opposed the whole policy indicated as extravagant and unnecessary, Hon. Mackenzie King criticized details, S. W. Jacobs deprecated the expenditure and thought much of it should be borne by the Provinces; William Duff did not see adequate returns for the money. The items, however, passed in due course.

Incidents of the year included the formation at Montreal of the Commercial Air Pilots' Association of Canada, which had

for its aim the elevation of Aviation standards; the free use of aeroplanes by the Imperial Oil Co. in its far northern explorations and work and, especially, at Fort Norman and in Peace River areas—with Capt. F. T. McCall, D.S.O., M.C., D.F.C., in charge of the latter; the creation of special training stations—at Jericho near Vancouver for Western men and at Halifax for Easterners; arrangements under which all aircraft, officially certified for commercial use in Canada, were included in Lloyd's Aircraft Record book, which was to aircraft development what Lloyd's Marine Registry was to the Shipping industry; the opinion of C. C. Grey, Editor of *The Aeroplane*, that "one has little hesitation in making a perfectly definite statement that the Dominion of Canada is far ahead of any other British Dominions in her flying organization and records"; the flight in June of the Imperial Oil Company's monoplane between Peace River and Fort Norman (1,400 miles) in 13 hours and 40 minutes of actual flying time; the declaration by J. A. Wilson, Secretary of the Canadian Air Board, at Victoria, on Aug. 18, that "we have not yet arrived at the period when aircraft can successfully compete with other means of transportation in this country, except in emergency cases, but we believe this will come later."

It was claimed at the time when the great American Airship *ZR2* was lost in England that had Helium been used instead of Hydrogen, much of the loss of life would have been averted, and the Toronto *Globe* of Aug. 26 reviewed the fact that Prof. J. C. McLennan of the University of Toronto had found vast quanties of Helium in Canada. In connection with the projected round-the-world trip of Sir Ross Smith—which his death afterwards prevented—the Canadian Air Board had mapped out a combined seaplane and aeroplane route across the Dominion from Kodiak Island, Alaska, to St. John's, Newfoundland—a total distance of 3,755 miles over Canadian territory with stages averaging 400 miles each. Meanwhile, Air patrols —Government or private—were doing excellent work in checking forest fires, in surveying unknown and difficult regions, in geological research work, in guarding forests generally and pulp-wood in particular, in prevention of drug and whiskey smuggling, in aiding the work of the Forestry Engineers as a whole.

On June 22 the 1st Convention of the Canadian Air Force Association was held at Camp Borden, with 30 inter-Provincial delegates present and addresses from Sir W. G. Gwatkin, Maj.-Gen. MacBrien and Capt. W. Hose. Reports were submitted on various phases of the work; recruiting was discussed and the consensus of opinion was in favour of longer periods of training, with certain increases in pay; in commercial Aviation, the Air Board stated that the best results could be obtained by running air routes as auxiliaries to present transportation systems; Aviation figures, sent out by the Air Board, were praised and further Research work in Universities urged. Lieut.-Col.

O. M. Biggar presided. It was announced, on June 21, that Wing-Commander J. S. Scott, M.C., A.F.C., was to be Officer Commanding the Air Force, and Squadron Leader J. L. Gordon, D.S.C., Officer Commanding Camp Borden. The term in command of Fl. Com. A. K. Tylee had expired in April and it was understood that Fl. Com. Redford H. Mulock, D.S.O., and Bar, of Winnipeg, had declined the position.

At Camp Borden, on Nov. 30, General Gwatkin formally presented their new Colours to the Air Force and stated that just as His Majesty's Canadian ships had a right to fly the white ensign of the Royal Navy, so the King had given the Canadian Air Force the right to fly the white and blue ensign of the R. A. F.: "It was Air Marshal Sir Hugh Trenchard who obtained for us this privilege. I will tell him how proud we are of our flag, and that we will be true to its tradition and all it stands for." Further incidents included the election of Lieut.-Col. Thomas Gibson at Toronto, as President of the Aero Club of Canada; the demonstration flight in August of 1,000 miles around Lake Winnipeg and the Saskatchewan River Valley, with the statement by Dr. Wallace, Commissioner of Northern Manitoba, who accompanied the expedition, that "as a patrol agency, and particularly for systematic mapping of the whole Northern territory, I feel that there is a great future for this Service."

This value in airships was further demonstrated in September when, at the request of the Dominion Parks Branch, an aeroplane was despatched to Jasper Park in the heart of the Canadian Rockies and three experimental flights carried out over that area, with the discovery of unknown Lakes and river valleys and much information obtained as to timber areas; the photographic survey of the St. Lawrence River and Canal System from Brockville to Montreal, undertaken by an aeroplane—from the Ottawa Air Station for the International Joint Commission—also of the Waterton Lakes district and the courses of the international waters in Southern Alberta; the Reports to the Air Board and other bodies from Forest Inspectors, Departmental engineers, Dominion Park Superintendents, Geological Survey officers, as to the great value of Aviation aid in respect to varied kinds of work in the forests or wilderness of the North.

The Highways of Canada: The Better Roads Question in 1921.

Like the greater transportation problems of Canada, this phase of the subject attracted much attention during the year. The increasing use of trucks in the carriage of goods, the ever-growing uses of motor-cars in travel and lighter forms of transport, the increasing motor tourist traffic in all the Provinces, the growing demands of the farmers for better highways and their increasing use of the automobile, made better roads an absolute necessity. Everywhere these

conditions were developing. In England it was estimated by Lord Montagu of Beaulieu—an authority on transportation—that the width of many of the most used main roads would have to be doubled before long to take at least four lines of traffic; five years hence, he declared, there would be about 2,000,000 motor vehicles of all kinds in the country as against the current total of about 800,000.

In the United States the total sum appropriated and used in 1920 for Highway purposes, under Federal auspices, was $200,000,000 and under State jurisdiction $265,000,000; the result was 28,000 miles of improved roads. One of the difficulties faced there was in conflicting demands and these, also, were found in Canada. The farmers wanted roads from shipping points and agricultural centres to the productive centres; the manufacturers and city merchants wanted roads to facilitate transportation of raw materials and manufactured commodities flowing to and from cities; tourists and others whose interest in roads was confined to the pleasure side of the subject mainly desired a system of smooth, hard-surfaced roads connecting the cities and points of interest; in addition, the U. S. Government was considering the utility of the roads in the event of war as supplemental arteries of traffic to the railways and waterways—though this was not done in Canada. At the American Good Roads Congress, Chicago (Feb. 8), it was estimated that, from all sources, there was about $622,000,000 available for Highway work in 1921, and President Harding of the United States sent a letter in which he used words almost equally applicable to Canada:

> Our civilization depends on communication and transportation, and as it becomes increasingly complex, that dependence increases. Every great community is held together by its means of transportation and so vast a country as ours is the more in need of ample facilities. Our country roads we have not kept pace with. The development of other transportation—railroads, waterways, our new merchant marine—cannot be of the fullest utility unless good country roads supplement them.

In Canada, during 1919 and 1920, the prices of materials, contractors' supplies and labour on Highway construction projects were at unprecedented figures and the different Provincial Departments were uncertain as to the justification of undertaking large Road improvements—even where the desirability was admitted and the co-operation of the Dominion Government was accorded. Conditions improved greatly, in 1921, however, and various Provincial arrangements were completed under the Dominion Act of 1919 by which an appropriation of $20,000,000 was authorized to aid Provinces in the construction and improvement of main and market roads, with a view to facilitating travel, improving transportation, encouraging production and stimulating trade and commerce.

This legislation divided the amount among the Provinces on the basis of population, and provided that the money should be

available for a period of 5 years in order that each Province could prepare a comprehensive system and obtain necessary legislation. The appropriation was to be available at the rate of 40 per cent. of the cost of plans arranged by the Provinces and approved by Ottawa; the Provinces therefore would have to provide $30,000,000 to meet the Federal $20,000,000. At the beginning of 1921 Provincial legislation making full provision for this construction had been enacted and the total amount was available with about 17,000 miles comprised in the proposals. A. W. Campbell, C.E., had, meanwhile, been appointed Federal Commissioner of Highways and the Provincial plans and specifications had been greatly facilitated by his work. According to a statement which he issued in August the full programme was as follows:

Province	Estimated Mileage	Cost	Federal Appropriation	Provincial Requirement
P. E. Island	850	850,000	603,455	$ 246,545
Nova Scotia	1,297	12,493,700	1,468,720	11,024,980
New Brunswick	1,595	2,914,612	1,163,845	1,750,767
Quebec	1,433	17,390,000	4,748,420	12,641,580
Ontario	1,824	22,200,000	5,877,275	16,322,725
Manitoba	4,000	6,602,265	1,602,265	5,000,000
Saskatchewan	2,500	5,329,500	1,806,255	3,523,245
Alberta	2,475	3,694,525	1,477,810	2,216,715
British Columbia	1,977	10,015,050	1,251,955	8,763,095
Total	17,951	$81,489,652	$20,000,000	$61,489,652

The only control taken by the Federal Department was as to the plans, etc.; under the Canadian system, Roads were within the jurisdiction of the nine Provincial Governments, and each of them had an independent Highway Department or one associated with a Department of Public Works. Provincial legislation also had tended to convey to the local municipalities a large measure of road control, with the exception, however, of Nova Scotia and Prince Edward Island. It may be added that the total length of Canadian roads—good, bad or indifferent—was estimated at 250,000 miles; there were about 160,000 more miles of surveyed road area upon which some work had been done but which were really little more than trails; the total 410,000 miles were estimated by S. L. Squire, lately President of the Canadian Good Roads Association, to require a right-of-way of 3,280,000 acres and to represent an investment in land of $164,000,000; the improvements already made represented in cost and including statute labour, bridges and ferries—the latter being a part of the Road system in some Provinces—not less than $1,000 per mile or a further investment of $410,000,000.

To the $50,000,000 involved under Dominion and Provincial co-operation it was estimated during the year that $30,000,000 would have to be added to bring the whole system of roads concerned to a good standard of efficiency. The project was not an easy one to handle; there were nine different Executives concerned and varied local conditions as to construction, traffic, labour, wages and even politics; there were differences of agricultural and industrial requirement to harmonize; the types,

standards and character of existing roads varied in many Provinces as did the nature of the traffic. The total expenditure by Dominion, Provinces and municipalities during 1920 and 1921 was not less than $80,000,000. The fruits of this expenditure were not yet organized in a National sense, though the co-operation of the Dominion and Provincial Governments was helping to that end.

There still was much division of aim and splitting of energies. In Montreal, for instance, there was an organization working for "the Canadian National Highway"; in Winnipeg another with energies bent on "the All Red Route" to cross the Dominion; in the southeast of British Columbia motor literature dealt with "The Inter-provincial Highway," while in Vancouver there was a Committee dealing with "The Canadian Highway." In Toronto there was an active coterie working for a Canadian transcontinental road of varied names and detail. There was, also, a Central Canada Highway Association with a general programme along these lines. The G. W. V. A. Executive, by Resolution at a Port Arthur meeting (July 6), declared for the construction of a grand national Highway from coast to coast of a uniform specification throughout. About the same time the Calgary Auto Club started a Petition urging the construction of a National Highway across Canada; at Victoria, on Aug. 5, a Canadian Highway Committee was appointed by the Chamber of Commerce, at suggestion of A. E. Todd, for the promotion of a continuous Highway across the Dominion from Cape Scott at the northern tip of Vancouver Island to the most easterly extremity of Nova Scotia.

The Quebec roads at this time were amongst the best in Canada; those of Manitoba and Alberta were in good condition and well-looked after; Ontario, under Mr. Biggs' direction, was developing very ambitious plans; New Brunswick also made excellent progress during the year. The value of linking up all these projects and expenditures was illustrated in the Akron, Ohio, and Boston motor freight service. The round trip by rail was 1,480 miles and from 10 to 14 days; a one-way trip by truck was made in 4 days. A truck from Akron made a 533 mile run to New York in January, 1921, in 49 hours actual running time, crossing the Alleghany Mountains in a snowstorm, and with a temperature of 13 degrees below zero. Similar possibilities in Canada were painted by Highway enthusiasts in glowing terms.

The Canadian Good Roads Association. Organized at Montreal in 1913 and incorporated in 1917, the objects of this body were as follows: "To collect and distribute information concerning Highway legislation, construction and maintenance, in the various cities, towns, villages and municipalities throughout Canada; to stimulate and encourage in all ways the improvement, construction and maintenance of roads; the whole from an educational and practical standpoint." During 1921 meetings were held in all the Provinces and the 8th annual Convention

was at Halifax on May 10-12, with the President, Dr. E. M. Desaulniers, M.L.A., of Montreal, in the chair. After a reference to preceding Conventions at Winnipeg, Toronto, Hamilton, Montreal and Quebec, the Chairman stated that the two chief points in the Highway problem were (1) that in financing it any Government that borrowed money for a certain period and extended the period of loan beyond that for which bonds were issued, would make a grave mistake; (2) that roads should be kept in good repair, or otherwise the surface as well as the foundation were gone before necessary repairs were made and then the original investment was lost.

The Lieut.-Governor, Mr. Grant, Hon. E. H. Armstrong, N. S. Minister of Public Works, Hon. J. A. Tessier, Minister of Roads in Quebec, Mayor Parker of Halifax, and Mayor Porter of Victoria, B.C., Hon. P. J. Veniot, Minister of Public Works in New Brunswick, Hon. H. H. Wickwire, N. S. Minister of Highways; Hon. John Oliver, Premier of British Columbia; Hon. C. W. Crosby, Minister of Public Works in P. E. Island; Hon. G. S. Henry, lately Minister of Agriculture in Ontario; S. L. Squire, lately President of the Association, and others, spoke at the opening or other Sessions. The prevailing thought of all speeches was that good roads were absolutely essential to the progress of the country, indispensable to farmers, attractive to visitors, tourists, investors and sèttlers and productive of increased Government revenues. There was a varied programme of addresses, papers, discussions and entertainment. On the 12th Dr. Desaulniers was elected Hon. President and Hon. S. J. Latta, Minister of Highways, Regina, President; Russell T. Kelley, Hamilton, and T. P. Regan, St. John, Vice-Presidents; G. A. McNamee, Montreal, Sec.-Treasurer.

The proceedings of the Convention were unusually useful in bringing together so many Provincial Ministers and leaders in the advocacy of the cause; its discussions developed good feeling and kindred aims in the Provinces and increased knowledge of the common problem; Col. W. D. Schier, formerly Chairman of the State Highway Commission of Massachusetts, dealt in a most valuable way with bituminous treatment of gravel and sand roads; A. P. Sandies of Columbus, Ohio, declared that maintenance was the best investment in road-building and that the best way to maintain a macadamized road was to build it right in the first place; several Provincial Ministers, while fully prepared to accept Federal grants, laid stress upon the importance of maintaining the rights of the Provinces against any encroachment by the Federal authorities. The Inter-Provincial conferences held during the meeting were presided over by Hon. T. H. Johnson, Attorney-General of Manitoba, and were interesting and effective. Resolutions passed were few, and included one in favour of the uniform system of "drive to the right" for all the Provinces—adopted by Alberta during the year with a B. C. Government appropriation of

$400,000 to help meet the Tramway expenses of a similar change in that Province; another motion objected to long-term bonds for Road financing as outlasting the Highway for which the money was used. Among organizations represented were the American Road Builders' Association, the Ohio Highway Association, the P. E. Island Good Roads Association and those of New Brunswick, Ontario, Manitoba and British Columbia.

Canadian Motor and Automobile Interests. It was estimated upon good authority that the automobiles, motors and motor-trucks in the Dominion during 1921 were worth a total of half-a-billion dollars. The motor bus was coming more and more into use and farmers were steadily acquiring automobiles during this year despite the depression. Trucks between centres such as Hamilton and Toronto were utilized for carrying varied goods for wholesalers, retailers, manufacturers and householders, at comparatively moderate rates; but as yet no special rights over specific highways had been asked or given, no strong companies organized or special passenger busses, or motor trucks, designed and made for large operations. During the ten years, 1911-20, Canadian progress, as registered in Automobiles and motor trucks, had been as follows:

Year	Ontario	Saskatchewan	Quebec	Alberta	Manitoba	B. C.	Nova Scotia	New Brunswick	P. E. Island	Total No.
1911	11,339	1,304	1,878	1,631	2,436	2,220	228	483		21,519
1912	16,266	2,268	3,535	2,505	4,099	4,289	456	700		34,118
1913	23,700	4,659	5,452	3,773	5,475	6,138	511	824	26	50,558
1914	31,724	8,027	7,413	4,728	6,974	6,668	544	1,260	30	67,368
1915	42,346	10,225	10,112	5,832	8,786	7,440	971	1,900	35	87,647
1916	54,375	15,600	15,347	9,703	11,953	8,576	1,728	2,986	50	120,318
1917	83,790	32,500	21,702	20,800	17,472	11,386	5,678	5,249	301	198,878
1918	109,374	47,239	28,333	29,500	23,627	15,828	8,103	6,475	481	268,960
1919	139,288	56,402	32,037	34,802	29,277	21,500	10,301	8,306	974	332,887
1920	172,065	60,325	43,450	37,515	36,455	28,136	12,456	11,101	1,426	402,929

These figures placed Canada as the 2nd largest Automobile user in the world, with the United States first, and followed by Canada, New Zealand, Australia, Cuba and the United Kingdom in proportion to population. In 1920 the Canadian increase of passenger and commercial cars was 70,000, or 21 per cent.; in 1921 the total number in use was 469,310—an increase of 18½ per cent. The additions of this latter year were mainly in the industrial Provinces; the agricultural districts felt the depression more severely. As a Canadian industry, Automobile manufacturing stood at a production of $80,619,846 in 1919 and $101,465,846 in 1920; the Supplies and Accessories totalled, respectively, $8,571,890 and $19,361,882; the Automobile repairs were valued at $12,004,970 in 1919 and $16,592,623 in 1920. The number of Automobile manufacturing, supply and repair plants (1920), according to the Dominion Bureau of Statistics, was 2,582, with a capital of $89,183,320, wages paid of $19,368,009, cost of materials $84,432,444, and value of products $137,420,351. The value of Pneumatic casings and tubes and solid Auto tires manufactured in Canada during 1920 was $40,177,119; the num-

ber of Automobiles (freight and passenger) imported into Canada in that period was 9,144, valued at $13,860,600, and the value of Automobile engines and parts imported was $22,540,-204; the number of Automobiles (freight and passenger) exported from Canada was 23,012, with a value of $16,635,235, and the value of Automobile parts exported was $4,276,027.

An illustration of the importance of motor traffic to the country was seen in the fact stated by the Collector of Customs at Windsor that 352,534 machines left license cards with his officers in 1920, that each car averaged three persons and that each person spent at least $2.00 in Canada. This revenue collection was a very obvious fact and not the largest of the returns from motorists; registration and license fees in Canada as a whole totalled $6,016,028 in 1920. Incidents of 1921 included the Toronto *Globe's* statement (Apr. 23) that a motor-bus had made a 2,000-mile tour of Eastern cities with 25 passengers and all the latest safety and comfort devices; the continued advocacy by Dr. P. E. Doolittle, Toronto, President of the Canadian Automobile Association, for a great 4,000-mile trans-Canada Highway from Vancouver to Halifax; the initiation of motor-bus transport in outlying parts of Toronto and the alleged success of the system in certain American cities; the success of the General Motors Corporation, Oshawa, in concentrating upon Export trade with large preliminary shipments in November and December.

The Motor Leagues of the country made distinct progress in 1921. In Ontario, from 264 members at the time of organization in 1907, the membership of the Ontario Motor League had grown steadily year by year to a total of 20,016 in this year. The objects of this organization were, briefly: "To maintain the rights and privileges of those who use motor vehicles; to promote rational legislation governing the use of such vehicles; to assist in and encourage construction and maintenance of good roads; to advocate a reasonable regard on the part of motorists for the rights of others using the highway." The efforts of the League had been successful in various directions and included the obtaining of an automobile license exchange between Ontario and most of the States in the American Union; arrangements for a 30-day touring permit, now given by the U. S. Customs; acceptance at Buffalo, Niagara Falls and Lewiston, &c., of the League membership card as a certificate of identification, in place of the Consular letter otherwise required.

The League, through representations to the Dominion Government, was instrumental in obtaining the provision of severe penalties in cases of automobile stealing; it succeeded, also, in getting the passage of a By-law in Toronto, requiring all vehicles to carry lights at night, after June 1st, 1921. At the end of 1921 it showed an increase of 8,901 members in the one year; it had 80 affiliated Clubs of which the leading ones in membership were those of Hamilton, Ottawa, London, Windsor,

Chatham, St. Catharines, Port Arthur, Brantford, Galt, Sarnia, Peterborough and Kingston; the President was A. R. Grieve, Toronto, in succession to W. Frank Goforth, a farmer and motorist, and the Sec.-Treasurer was W. G. Robertson. Road improvement was a vital matter to all Motor Leagues and that of Ontario joined actively in the campaign for good roads. Educational work was carried on extensively throughout the Province and helped the appointment by the Government of the Highways Department, with the subsequent adoption of large plans of Highway improvement.

The policy and efforts of the other Provincial organizations were much along the lines of Ontario with membership growing in 1921 and influence largely exerted in strengthening the Good Roads movement. They included the B. C. Motor League, Vancouver; The Alberta Motor League, Medicine Hat; the Saskatchewan Motor League, Regina; the Manitoba Motor League, Winnipeg; the Quebec Provincial Motor League, Quebec; the N. B. Automobile Association, St. John; the N. S. Motor League, Halifax; the P. E. I. Motor Vehicles Association, Charlottetown. The Manitoba League, of which W. F. Tallman was President, had a membership of 4,000 with 40 branches, and its platform included the protection of motorists, an active Good Roads campaign, and the placing of sign-posts on all possible routes. The Nova Scotia League had 644 members, with F. A. Gillis as President. The New Brunswick Association had about 800 members, and its President was T. P. Regan of St. John.

All were affiliated with the Canadian Automobile Association, of which Dr. P. E. Doolittle of Toronto was President and W. G. Robertson, Sec.-Treasurer. The annual Convention of this body was held at Halifax on May 11 and opened by Lieut.-Governor MacCallum Grant. Resolutions were passed (1) favouring a Trans-Continental Highway; (2) approving the co-ordination of Motor laws in the various Provinces; (3) accepting affiliation with the Royal Automobile Club of Great Britain; (4) supporting a closer relationship with the U. S. Motor Associations and encouragement of international touring; (5) advocating increased Federal aid to Highways and declaring the $20,000,000 now available to be quite inadequate. The Association worked in hearty co-operation with the Canadian Good Roads Association; its official organ was the *Canadian Motorist.*

Wireless Developments of 1921.

There were evidences of important growth in this respect during the year, and the subject of an Empire Wireless service was discussed at the Imperial Conference; Australia showed great interest in the matter, though its Prime Minister supported a private Company's scheme in preference to that submitted by Sir Henry Norman and his Special Committee. The Marconi Company had made an Imperial Wireless proposal some years before this, but

it was rejected by the British Government as constituting a monopoly; Australia had, during the past ten years, spent money on a Land wireless policy with a total expenditure of about £750,000, which included a capital investment in land and buildings of about £100,000. It was now asked—and Mr. Hughes seemed to favour the proposal in a speech at Melbourne on Oct. 5—by the Amalgamated Wireless Co. of Australia to expend £500,000 upon a direct Service to Great Britain with Government control, a promised return of 10 per cent. and a reduction of one-third in the present cost of communication.

Mr. Hughes was a strong believer in Wireless telephony at this time and hoped soon to be able to talk to London. The above plan, if carried out, was to be part of a wider scheme under which there would be an Imperial wireless chain through certain portions of the Empire and composed of links 2,000 geopraphical miles in length. Stations were to be established at Oxford, Cairo, Poona, Singapore, Hong Kong, and Australia, and also at Nairobi and Wynhoek, in Africa, at a capital cost which was estimated at £1,243,000. Mr. Kellaway, British Postmaster-General, stated, on Nov. 20, that the latter policy was partly under way and that the first two stations, at Leafield and Cairo, would be completed and working by the end of the year.

In Canada developments took the form of Wireless telephony. The Marconi Company stated at Montreal, on Sept. 8, that they had been considering for months the establishment of a system of Wireless communication, in the Oil fields particularly, and in the North West Territories generally; that the Company had studied the situation at Fort Norman and realized the immense value of such communication between the Oil fields and Edmonton; that they had got together five complete sets of the most modern and finest equipment possible and proposed to establish a chain of five stations at Edmonton, Vermilion, Fort Resolution, Fort Simpson and Fort Norman; that they applied, on Aug. 16, to Ottawa for a license but were unable to get one. Meantime, it was stated by the Montreal *Star* of Sept. 22, the amateur Wireless idea had been taken up by the boys in that city, with about 600 operating air telephones of a crude nature; from Edmonton, on Oct. 29, came what was claimed to be a world's record for land transmission of Wireless telephony when a concert programme, sent out by wireless from San Francisco, was picked up and distinctly recorded—with the two points over 1,400 miles apart; at Campbell River, B.C., a *Colonist* representative reported a gramaphone in use as picking up music and voices over considerable spaces of land and across the Gulf of Georgia.

THE DOMINION
GENERAL ELECTIONS OF 1921

Mr. Meighen and the Government's Policy: Issues of the Conflict.

The political atmosphere of the year was one of Elections. The Liberal and Progressive leaders urged an appeal to the people; the bye-elections were keenly fought, and the main topics of railways and tariffs were continuously discussed; the position of the Meighen Government, despite the Prime Minister's debating skill in Parliament and many speeches in the country, grew weaker rather than stronger, and before Dissolution its majority had fallen to 21 with 8 seats vacant. In 1911 the Conservative majority had been 45, and in 1917 that of the Union Government was 71. The Meighen Government was, during the whole year, attacked from two angles —that of the Liberals with old-time Party ammunition and every possible effort to bring back the Liberal Unionists to the fold, and that of the Progressives with a direct appeal to the Farmers of the country and with a large and growing United Farmers' organization behind Mr. Crerar. In Quebec there was a steady and successful effort to preserve the Liberal *bloc* and to emphasize antagonism to Mr. Meighen and the Conservative or Unionist parties.

The Government was handicapped by the depression which affected so many interests in the country, and by the heavy taxation which war and reconstruction had rendered necessary; by a West which was supposed to be behind the Progressives and a Quebec said to be assured to the Liberals; by American tariff action which hurt the farmers, especially, and which was not met by any appeal to the anti-American feeling which might so easily have been aroused; by a railway policy which involved, for the moment, huge and inevitable deficits; by Agrarian and Liberal attacks upon the Government as the alleged friend and patron of vested interests and financial monopoly, while many of these very interests were seriously estranged through the Government ownership of Railways' policy; by the passing, since 1917, of the Ontario, New Brunswick and P. E. Island Governments out of Conservative party control and through the loss of 8 seats in bye-elections since that year. There was no doubt about the importance of the contest; in it lay considerations touching political, financial, industrial and commercial interests. All the parties had definite platforms; that of the National Liberal and Conservative (Government) dated from 1920, that of the Liberals from 1919, that of the Progressives from 1918;* how far the respective Parties stood upon their Platforms was a matter of controversy.

Mr. Meighen, in courage and speaking capacity, was an admirable Party and Election leader, though he lacked certain

*Note.—See record in *The Canadian Annual Review* for 1919, page 604, and page 365, and in 1920 volume, page 399.

qualities which had drawn men to Sir John Macdonald or Sir Wilfred Laurier. In this contest with manifold difficulties, however, he won a high place in the political history of Canada for determination of policy, vigour of action, speech-making power, and clarity of exposition. It was at London, on Sept. 1st, that he announced the coming Election and made it clear that, so far as he could establish the issue, it would be fought on the Tariff question. First came a reference to the War, the greatness of the problem, the difficulties of the Government, the generous verdict of other peoples concerning its policy, his belief and hope that, with mistakes admitted, the conduct of those who bore the responsibility of government through those trying years was not unworthy of the Canadian army and the Canadian people. He then touched the central point of his address—the Tariff policy of Canada: "For 43 years we have had a Protective tariff. We decided on that course deliberately in the throes of a great depression—a depression caused by the flooding of our markets and by the erection of customs barriers against us by the United States—blocking the passage of trade channels that we had opened up. With our eyes open, with our minds clear, we have sustained that policy ever since."

A review of United States action and of world support to the Protective idea, followed; a study of the views and actions of those who challenged this policy was given. As to the Liberals, he declared that: "They challenge, I know, with muffled drums and uncertain chorus, and no one knows what is their song, or where they are, or what they intend to do. But they adopted in solemn Convention just two years ago a Resolution that bound them to place on the free list 19 classes of articles." Mr. Mackenzie King was asked if he still stood on that platform. Then Mr. Meighen turned to the Progressives, and his words were not clothed in softness: "A new party has arisen in this country. It took its birth in Western Canada. There it flourished and there it has its stronghold still. By adroit organization, by special periodicals and propaganda, by class appeal, misinformation has been scattered, prejudice has been developed, and the harvest is a political party whose set purpose is to reverse the fiscal policy of this country. It has grown to full maturity; it has demonstrated great strength. The breath of life of that party is Free Trade." This was the central theme of the speech; the Tariff was the issue as Mr. Meighen wanted it and understood it; this question was the pivot upon which the 200 speeches he made in the ensuing contest chiefly turned. The address concluded with the statement that: "It is, in my judgment, the duty of Parliament and my duty as Prime Minister of this country to ask for the dissolution of Parliament at an early date and an Election before the new year, and that is the course I am going to pursue." It may be well, at this point, to give the Tariff planks in the three Party policies thus brought before the electorate:

Government, 1920:

A thorough revision of the tariff with a view to the adoption of such reasonable measures as are necessary—(a) to assist in providing adequate revenues; (b) to stabilize legitimate industries; (c) to encourage the establishment of new industries essential to the economic development of the nation; (d) to develop to the fullest extent our natural resources; (e) to prevent the abuse of the tariff for the exploitation of the consumer, and (f) to safeguard the interests of the Canadian people in the existing world struggle for commercial and industrial supremacy:

1. As a means of raising revenue the tariff should be so adjusted as to place the chief burden upon those best able to bear it.

2. Apart from the question of revenue, the tariff should have regard to the maintenance, stability and prosperity of Canadian enterprise in the development of all our natural resources in lands, forests, mines, fisheries—as well as our agricultural and manufacturing industries.

3. For the purpose of encouraging the fullest development of our natural resources the tariff should be so adjusted as to permit machinery and the implements of production to be purchased at prices that will compare equitably with those paid in other countries for similar articles.

4. The principle of trade preference between the different members of the Britannic Commonwealth should be maintained and extended from time to time to such degree as may be found practicable and consistent with Canadian interests.

Liberals, 1919:

That the best interests of Canada demand, that, at an early date, substantial reductions of the burdens of customs taxation be made, with a view to the accomplishing of two purposes of the highest importance:

First: Diminishing the very high cost of living which presses very severely on the masses of the people; Second, Reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion, the vigorous development of which is essential to the progress and prosperity of our country.

That, in order to bring about the above objects, the Liberal party pledges itself, on receiving the endorsation of the electors, to enact legislation:

1. Placing on the free list wheat, wheat flour, and all products of wheat; the principal articles of food; farm implements and machinery; farm tractors; mining, flour and saw-mill machinery and repair parts thereof; rough and partly dressed lumber; illuminating, lubricating and fuel oils; nets, net twines and fishermen's equipments; cements and fertilizers.

2. Diminishing the tariff in order to extract a reduction of at least 50 per cent. on the duties on wearing apparel and footwear and raw materials entering into the production thereof.

3. Increasing the British preference to 50 per cent. of the general tariff.

Progressives, 1918:

Therefore, be it resolved that the Canadian Council of Agriculture, representing the organized farmers of Canada, urges that, as a means of remedying these evils and bringing about much-needed social and economic reforms, our tariff laws should be amended as follows:

(a) By an immediate and substantial all-round reduction of the customs tariff.

(b) By reducing the customs duty on goods imported from Great Britain to one-half the rates charged under the general tariff, and that further gradual, uniform reductions be made in the remaining tariff on British imports that will ensure complete Free Trade between Great Britain and Canada in five years.

(c) That the Reciprocity Agreement of 1911, which still remains on the United States statute books, be accepted by the Parliament of Canada.

(d) That all food stuffs not included in the Reciprocity Agreement be placed on the free list.

(e) That agricultural implements, farm machinery, vehicles, fertilizers, coal, lumber, cement, illuminating fuel and lubricating oils be placed on the free list, and that all raw materials and machinery used in their manufacture also be placed on the free list.

(f) That all tariff concessions granted to other countries be immediately extended to Great Britain.

(g) That all corporations engaged in the manufacture of products protected by the customs tariff be obliged to publish annually comprehensive and accurate statements of their earnings.

(h) That every claim for tariff protection by any industry should be heard publicly before a Special Committee of Parliament.

Of course there were other issues and the Liberals made the Railway policy a conspicuous one while the Progressives added to this the high cost of living as being based upon Tariff rates. The Government claimed all that was good in the war-record of the Borden and Unionist Administrations, but did not lay stress upon its war policy or make it a dominant issue; similarly there was no vehement anti-Reciprocity talk as in 1911 and that question, like the War, was taken as settled. Stress was laid upon the Government's elaborate policy for, and in respect to, returned soldiers; much was said of its financial action and policy, in the War and after, the absence of scandal and the courage of taxation; the practical and useful work of the Department of Agriculture was eulogized as was the Labour policy of Senator Robertson and his Department; the organization and action of the Department of Health and the wisely regulative policy of the Immigration Department were made much of; blame for all the Railway troubles of the time was laid upon the Laurier Government and its inception of the Grand Trunk Pacific; pride was expressed in the foundation of the Government Merchantile Marine.

The Tariff arguments used by the Government speakers were many and varied. It was said to be, practically, that of the Laurier Government with an average rate of duty in 1911 totalling $15.87 on every $100.00 of imported goods (dutiable and free) and a similar rate in 1920 of $14.67; the Liberals and Progressives were challenged to deny that a lowered tariff meant increased imports from the United States, a larger balance of trade against Canada and an increased discount on the Canadian dollar with higher rates of exchange; the increasingly Protective policy of England was referred to, though not in such detail as to specify the new tariff on clocks, motor-cars and musical instruments, the Agriculture Act of 1920 fixing standard prices for wheat, etc., the Dye-Stuffs Act, and the Safeguarding of Industries Act; the rural depopulation under Protection in Canada was met by references to a Report of the Michigan Secretary of State showing 18,232 idle farms in that State and 1,700,000 acres, uncultivated, with 30,000 vacant houses in rural regions.

The Progressive claim that the Tariff affected farmers disastrously was countered with quotations from the Ontario *Handbook*, issued by the Drury Government, and one of which referred to Ontario's "expanding cities and advancing values," and declared the opportunity of investing in its farms would not long be as easy as at present. The farmer was told that more had been done for him in fiscal matters than for any other class as, for instance: Binder twine, free; binder attachments, free; cream separators, free; cultivators for farms, free; seed drills, 10 and 15 per cent.; ditching machines, free; traction engines (gas and gasoline), free; with specially low tariff duties on implements. Much was said, though not by the leaders, as to the immunity of the farmers from Income tax and their payment, throughout Canada, of $611,735 out of a total of $46,381,806 obtained.

Mr. Meighen's second important speech in a campaign which practically lasted three months, was at Portage la Prairie, in his own Western constituency, on Sept. 27. Hon. Hugh Armstrong presided, and the speech was notable for meeting boldly the special Western view-point and facing its Tariff hostility with flat contradiction and re-assertion of moderate Protection as his policy and the pivot of Government action. "If," he said, "I can but get the people in this country to see that the issue is Protection or no Protection, the battle will be won." He declared there were two wings of the Opposition, one of which was used for the East and one for the West, and added: "For the Dominion to abandon the system it has built up during 40 years will be the most arrant folly ever committed by an intelligent nation." After a reference to the Exchange situation and the danger of adding more imports to the large balance of trade already against Canada, Mr. Meighen proceeded:

> But the United States is not satisfied with selling us $800,000,000 worth of goods and buying less than $500,000,000 from us. They have lately enacted the Fordney Emergency Tariff in order to stop all farm products of which we are selling them $168,000,000 a year, and they have put up against those products, and other goods, besides, a practically prohibitive tariff. Mr. Wood and Mr. Crerar say that the right thing for us to do is to drop down the low tariff that we have to-day, and, while our farmers cannot sell goods over there, to enable their farmers to sell more goods in Canada against the product of Canadian farms. 'Oh, but,' you say, 'maybe if we take our tariff down they will take theirs down.' My answer is this: Ours was lower than theirs before they touched their tariff. My answer next is this: Even if they took their tariff down they will likely put it up again just when they think it will suit them best. In any event, at the time that they are putting up the bars against this country one would scarcely think that Canada will bow the knee and throw the gates wide open for the surplus products of the United States.

The grain trade was the other main topic in the speech, and Mr. Meighen dealt at length with the proposed Enquiry and its legal check at the hands of the Opposition. Passing then to the moot subject of the Wheat Board, he added: "I do not

think that a Government has any right to put itself on either side of the market. Its duty is to stand fairly between and see that the producers give a fair deal to the consumers. I do not think that monopolistic control such as that exercised by the Wheat Board was right, in 1920, in view of the changed situation, and I do not think it would be right to have a Board with monopolistic control to-day." He had an alternative plan: "I propose that there shall be established a Canadian Board along the lines of the Canadian Wheat Board, but not endowed with any monopolistic powers, that the principle of pools shall be adopted, but that they shall be voluntary pools conducted through the medium of the Board appointed by the Government, and that every producer of grain who chooses to take advantage of the Board's operation shall have his grain delivered in the same way as under the Canadian Wheat Board; that he shall receive cash payment from the Board for his grain and a participation certificate for any balance he would obtain later; that the Board shall handle and dispose of that grain to the utmost advantage of the producer." His proposition would, he thought, work out as follows:

1. The man producing the crop would know that he was getting all that his crop could obtain in the markets of the world, less natural costs.
2. If the Board considered that mixing should be practised, then the Board could practise it, and whatever advantage accrued would go back to the producer and be reflected in his participation certificate.
3. Whatever grain went through the Elevators, under the Board, the proportion of the whole average would go back to the producer and be reflected in his participation certificate.
4. When, by the handling of grain in large quantities, and by the use of the general Government elevators that stretch, now, almost across the country, general benefits result, these would be conferred upon the farmer.

As to the charges of Tariff preference for the "Big Interests," the Premier was explicit: "In 1919-20 direct taxation brought in $228,000,000, or 58 per cent., and indirect taxation $163,000,000, or 42 per cent. For the last year we raised $237,000,000 or 71 per cent., by direct taxation, and $135,000,000, or 29 per cent., by indirect taxation. The Crerar group advocates a sharply-graduated Income tax, yet the Canadian Income tax on the biggest incomes is the highest in the world. From the man who has an income of $1,000,000, the Government takes $697,000. For small incomes single men have exemption on $1,000, and married men on $2,000. One per cent. Income tax is imposed on Banks, insurance, loan and railway companies. We taxed business until we had nearly destroyed it. Excess profits taxes will have brought into the Treasury by the end of the year $250,000,000. From Packers we have taken half the profits between 7 and 17 per cent., and if they make over 15 per cent. profit the Government takes it all." Following this speech the Government supporters in Saskatchewan (Sept. 30) held a Convention at Regina and formed a Provincial Association with J. F. Bryant as President; new life and energy were

put into its Western forces by the clearness and positiveness of the utterance.

Mr. Meighen was in Montreal on Sept. 30 and won a warm greeting from 3,500 people at the Monument National; with him were his four Quebec colleagues, Messrs. Ballantyne, Monty, Belley and Normand. In an elaborate speech, the Premier declared that the Election had to be fought out on the basis of the Tariff, and he held up to strong criticism the platform of the Progressive party. He declared that the movement headed by Hon. T. A. Crerar and Henry W. Wood was an alarming menace to the future fiscal independence of Canada and that, unless checked, it might also menace the political independence of the country. He viewed with alarm the manner in which the class movement on the part of farmers had gained momentum in sections of the West and in Ontario, and held that the only course open to people who sought the best interests of Canada as a nation was to come out in the open and fight the movement until it was beaten.

The Premier made an earnest appeal for racial conciliation and concord, urged Quebec to bury the past and vote only in and for the present. As to the future: "At the very basis of all hope of stability and prosperity in this country, lies the Tariff policy of the Dominion." He declared that the Progressives had "exterminated the Liberals of the West"; claimed the platforms of the two Opposition parties to be much the same; urged the Protectionists of Montreal and of the Province not to trust the Liberals as to the Tariff or feel confidence that the Party would step off its own platform if elected; alleged that the present Tariff was practically that of the Laurier Government; opposed Reciprocity as making Canada dependent upon the changing policy and legislation of the United States; described his Government as the heir and not the creator of the Railway problem. "What I say to the people of Montreal is this: The fault of premature construction of railways has to be paid for, and if there are any of you who think that you can get a Company to do it, I would like you to produce the Company. There is really something tragic in the appeal of these men who wasted, or almost wasted, $500,000,000 of our money on transcontinental roads, to be restored to power in order to re-establish economy."

Mr. Meighen then went to Nova Scotia and spoke at Amherst on Oct. 3rd, accompanied by Hon. F. B. McCurdy and Hon. André Fauteux; Digby and Yarmouth were visited on the 4th; speeches were made at Kentville, Windsor and Halifax on the 5th; Pictou and Antigonish were visited on the 6th, Glace Bay and Sydney on the 7th, New Glasgow and Truro on the 8th. Charlottetown, P.E.I., was reached on the 10th with speeches, also, in Kensington and Summerside; Moncton, N.B., on the 11th, St. Stephen on the 12th, St. John on the 13th, Chatham and

Newcastle on the 14th. The Premier's energy seemed tireless as he went by train, by automobile, and, at some parts of his journey, by boat, to disseminate his doctrine of Tariff protection for Canadian producers. Mr. Fauteaux and Hon. J. B. M. Baxter accompanied the Premier on much of this tour. At these meetings and, notably, at Halifax, the Premier claimed that Protection meant Canadian trade through Canadian ports, and running East and West on Canadian Railways instead of North and South on (very largely) American lines; that it also meant Maritime "home rule" in railway matters as a certain result of the acquisition of the Grand Trunk and the consolidation of the National System which soon was to be accomplished. When that great system became one, with its 22,000 miles of railway, de-centralization of control should be introduced; by this the Maritime Provinces would benefit.

Meanwhile, Parliament was formally dissolved on Nov. 4th and, at the same time, a Manifesto was issued defining the Government's policy and dealing, chiefly, with the Tariff. In it Mr. Meighen combined the records of the Borden, Union and his own Governments: "I have been a member of the Government through eight eventful years, and its leader for something more than one. The Government has conducted Canada's affairs through a devastating war. It has met and surmounted unprecedented difficulties and survived the crises that such a war brings in its train. It has formulated policies by means of which the sufferings of the conflict have been and are being ameliorated and its loss and wreckage repaired." He quoted the Liberal platform of 1919 to prove his charge against the Liberals of abandoning Protection; he described the fiscal policy of H. W. Wood and T. A. Crerar and the Progressives as a special menace to the Tariff and Canadian industry; he eulogized Protection and urged the need of fiscal stability. Practically, no other subject was discussed except the following reference to Empire matters:*

> By tradition, by the sense of common inheritance, and of common ideals, the Dominion of Canada aspires to one destiny, and one only—a destiny than which there is no nobler—nationhood within the British Empire. I am convinced there is no single thing more vital than that the British Empire, as at present constituted, should be maintained. We enjoy the fullest autonomy, and that autonomy is not challenged and never shall be challenged. For the maintenance of the British Empire as a league of autonomous nations there are common burdens that all must share, but these burdens are light and the advantages abundant, in comparision with either the burdens or the advantages of any other destiny that can be conceived. Sentiment and interest are in accord in upholding British connection.

Mr. Meighen opened his Ontario tour at Spencerville, near Brockville, on Oct. 19, with a vigorous attack on the Progressive Leader: "We have not been in the propaganda business during the War," declared the Premier; "Mr. Crerar has been talking about our campaign fund and the publicity that we are going

*Note.—This extract is from the Toronto *Globe*. Curiously enough the whole paragraph is omitted from the Official Party *Bulletin* published on Oct. 8th.

to put on in order to defeat him. I tell Mr. Crerar that he and his organization have spent more money on propaganda in the last eight years, five dollars to one, than the Government party has spent, and a little more. They maintained newspapers in Western Canada to further the political interest of H. W. Wood and Mr. Crerar through years when the Farmers were complaining that they did not get the value of their grain and that it was absorbed by the grain companies. They have used the profits of their own Grain companies, made out of the farmers' grain, to subsidize those papers to maintain propaganda, to the extent of hundreds of thousands of dollars."

Mr. Crerar was described as "a determined Liberal, by tradition, by prejudice, by his method of discussion, by everything that animates his public conduct." He was Liberal to the bone, and "it is the Liberal Party he would like to help." As to "big business" charges, he denounced people who set class against class: "I don't think this country can be any country at all unless we have big business. A country that is too afraid to encourage business operations on a big scale soon will have no business interests, big or little. If we had no big business we should not have any export trade, and that trade keeps busy half of our population." As to the Tariff and the Agrarian policy, he made this statement: "I say that even if the whole world was Free Trade, Canada is the one country that should have Protection. Free Trade will always tend to add to the wealth and strength of a big country that is ahead, that has big industrial plants and is able to take care of raw material and make it into the manufactured article quickest and cheapest because it works on the biggest scale. But Canada is not in that position, she is one of the youngest nations of the world." The tour which followed can only be dealt with in the following list of speeches:

Brockville	Oct. 18	Bracebridge	Oct. 25
Goderich	" 19	Sault Ste. Marie	" 26
Clinton	" 19	North Bay	" 27
Sarnia	" 20	Toronto	" 28
Stratford	" 21	Welland	" 29
St. Mary's	" 21	Milton	" 29
St. Thomas	" 22	Hamilton	" 31
Brantford	" 24	Picton	Nov. 2
Orillia	" 25	Peterborough	" 2

Different Ministers accompanied the Premier on this Tour —Dr. L. P. Normand of Quebec, coming to North Bay, in particular—and, upon the whole, great public interest was shown in the meetings; the rival tours of Mr. King and Mr. Crerar helped to keep up the interest as well as to provide bases for the counter-attacks in which Mr. Meighen excelled. In Toronto the Premier defended the Merchantile Marine policy of the Government, stood for Protection, as he had everywhere done, and denounced the alleged Liberal efforts to escape from this issue: "Trying to talk about the Merchantile Marine in the Maritime

Provinces, trying to sail under the Crerar banner in the West, trying to talk higher tariff in certain cities of Canada, preaching revenge for Conscription in the Province of Quebec with revenge on the rest of Canada and on myself in particular, urging Protection for everything produced in British Columbia."

On Nov. 4th the Premier was again in Montreal and addressed two meetings. He dealt largely with the Tariff utterances of H. M. Marler, who was opposing (and ultimately defeated) Hon. C. C. Ballantyne. He claimed that Mr. Marler's programme regarding the Tariff was not that of his leader, and quoted the Liberal candidate's excuse that the Liberal platform in 1919 was drawn up by Farmers who had since left the party: "Protection on apples in British Columbia, Free Trade in the Prairie Provinces and the rural parts of Ontario, Protection in industrial centres in Ontario, Conscription in Quebec, and humbug in the Maritime Provinces," was his concise summary of the Liberal platform. Much attention was devoted to Sir Lomer Gouin's views; the Premier claimed that he and Mr. Marler and the Quebec Liberals were "determined that the issue will be the National Railways and whether or not they should be turned over to a private Company or merged in another system," and declared himself ready for the issue. A tour of Quebec followed, with speeches at Lachine, Three Rivers, Shawinigan, Quebec City, Sherbrooke.

At Ottawa, on Nov. 10th, the Premier addressed two large meetings before leaving for his Western tour; here he made the interesting statement that the Trans-continental without the Grand Trunk would mean nothing. Either the Grand Trunk must be acquired, or feeders must be constructed. Upon the question of the National Railways and inter-locking Directorates, he said: "Are we to have business men in charge of the System or are we not? If we are to have business men in charge how are we going to get business men who have no business!" There was no charge that any Director had made use of his position to benefit other Companies at the expense of the Railway. As to this point, Hon. J. A. Stewart, Minister of Railways, issued a statement on the 11th that Railway equipment purchased during the period, 1917 to 1920, amounted to $95,299,957, and, of this, equipment to the value of $51,006,248 was purchased from the Canadian Car & Foundry Co.; $14,216,547 from the Eastern Car Co.; $10,474,949 from the National Steel Car Co.; $9,508,259 from the Canadian Locomotive Co., and $10,093,952 from the Montreal Locomotive Co. Two of these Companies were represented on the C. N. R. Board, but they were the smallest concerns in size of contracts.

On the 14th Mr. Meighen was in Manitoba and opened his Western campaign at Carman and at St. Eustache in his own constituency. His argument covered the fiscal issue, with unequivocal declarations of policy on that question, a statement of the Government's motives for instituting the Grain Enquiry, a

reiteration of his intention, if returned to power, to establish a voluntary Grain pool for the benefit of the producers of all Canada. At Headingly, on the 15th, Mr. Meighen attacked the United Grain Growers, Ltd., asserted that the Company had put $100,000 into a political newspaper and quoted the evidence given by C. Rice-Jones, the General Manager, before the Cost of Living Commission. He also stated that the United Grain Growers had stopped none of the abuses the Company had been established to stop; it had passed on to the farmers none of the advantages it had secured: "Had a private corporation made a profit of $550,000 on an investment of $100,000 in a wheat export subsidiary, it would have been described by Mr. Crerar as a profiteer."

He was at Winnipeg in the evening and spent the 16th in his own constituency with speeches at Rosser and Macdonald; he was at Brandon and Boissevain on the 17th, with two meetings in each place; at Moose Jaw and Regina on the 18th and back at Dauphin, Man., on the 19th, with two meetings. Here he dealt with the Liberal leader's charge that he was an autocrat, ruling the people against their will: "Mr. King says I should have gone to the people before we took over the Canadian Northern and before we built the Merchant Marine, or took over the Grand Trunk, and I do not know how many other things, which would have meant an Election about every three months. But now I do go to the people on something that means a drastic, radical, and permanent change in the whole grain-handling system of Canada; you are told to vote against me because it is an election dodge. If I do it any other year without an Election then I am an autocrat, and if I do it through an Election then I am a political dodger!" In six days he visited 15 places and addressed 20 meetings. The Premier, wearied but still campaigning, was back at Port Arthur and Fort William on the 21st and addressed two more meetings.

Nomination Day (Nov. 22) showed only one Acclamation, and that was disputed and nullified (E. Gus Porter in East Hastings); a tremendous list of 630 candidates for the 235 seats and including 212 Government or Conservative candidates, 201 Liberals, 156 Progressives (Farmers) and 50 Labour, Independents, Socialists, etc.; of Government supporters in the late House who, for various reasons, were not running, there were 14 from Ontario, one from Quebec (Rt. Hon. C. J. Doherty), 11 from the Maritime Provinces, including Sir Robert Borden, 11 from the West. Amongst the retiring members the following had received Government appointments: Sir George Foster, Hon. J. A. Calder, Hon. J. D. Reid, Sir Edward Kemp, Hon. T. W. Crothers, Brig.-Gen. W. A. Griesbach and Hon. R. F. Green—Senatorships; and H. M. Mowat and T. M. M. Tweedie, Judgeships. All the Leaders were opposed and 5 women were candidates; in Western Ontario there were three-corned fights in most of the constituencies.

At Pembroke on Nov. 23 Mr. Meighen resumed his campaign, and then spoke at Kingston on the 24th, at Orono and Lindsay (Nov. 25), Midland and Barrie (26th), Owen Sound (28th), Hanover and Chesley (29th), Simcoe and Woodstock and Ingersoll (30th), Newmarket and Brampton on Dec. 1st, Galt, Hespeler and Guelph (Dec. 2nd), and Strathroy and Petrolia (3rd), Wallaceburg, Chatham, Dresden and Windsor on the 5th. Here the Premier completed his continuous campaign of two months and what the Winnipeg *Free Press* stated to be 250 speeches—a really remarkable record of physical endurance and intellectual achievement; with speeches which lacked persuasiveness but mingled satire and logic in effective force.

Policy of the Liberal Opposition; Mackenzie King as Leader of the Party.

The Hon. W. L. Mackenzie King had always been fortunate in politics; his advance during Sir Wilfrid Laurier's *régime* had been exceptionally rapid for so young a man; his capacity as an administrator was known, but it remained for this Election to test his ability for leadership before and amongst the people. There was from the first no doubt about his energy and aggressive force; but the contest developed other requirements than these. Like Mr. Meighen and Mr. Crerar, he was new to the position; like them he threw himself into the contest with the greatest vigour. Being in Opposition his policy, necessarily, was not constructive; it was made up of attack, criticism, and offensive operations—in a military sense. Toward the Progressives it was a policy of conciliation, of desired co-operation in defeating a common enemy. He expressed continuous and assured confidence in Liberal success, and, while the Premier proclaimed the Progressives to be the real danger to the Government, he tried to hold both Opposition parties in attack upon the Government and not upon each other. In the main he was successful.

As with all the Parties, a large amount of Election literature was issued under direction of Andrew Haydon, Liberal organizer and General Secretary; it included the Platform of the Liberals as expressed in 1919, and that of the Farmers' party, as published in 1918. In this and other publications the Government was denounced for having taken over Railways costing Canada more than a billion dollars without consulting the Electors; for permitting multiple directorates amongst those in charge of the National Railways; for extravagance and alleged fraud in respect to exchange and the Militia Department —which was under investigation by G. T. Clarkson of Toronto; for waste and extravagance in various directions and an alleged effort to return to the Patronage system; for increasing the cost of living by unjustifiable expenditure, additional Debt and taxes and inflated currency through a doubling of the note circulation; for depression and unemployment in 1921, as in 1896

when previously in power; for the War-Time Election Act of 1911 and for an "appalling waste" in Reconstruction matters which had prevented a Gratuity to the soldiers; for its Merchant Marine policy, its advances of money to Roumania and Greece as trade credits, and for a Tariff "which had outlived its usefulness."

A pamphlet as to the Liberals and the Farmers declared that both were opposed to the Meighen Government, and that "their platforms and policies afford ground for common action." It was stated that "in the 1st place, the essential features of their Tariff platforms are practically identical, in the 2nd place, the stand taken by the Leader of the Farmers on most of the great public questions is practically the same as that taken by the Liberals, and, in the 3rd place, the Farmer members of Parliament have, in nearly all the important divisions, voted with the Liberals." Another, quoted Resolutions passed at the National Liberal Convention of 1893, and re-affirmed the fiscal declaration of that year that: "We denounce the principle of Protection as radically unsound and unjust to the masses of the people, and we declare our conviction that any tariff changes, based on that principle, must fail to afford any substantial relief from the burdens under which the country labours."

There was only one subject upon which the Progressives were seriously attacked and that was in regard to the Group government idea and the Referendum and Recall adaptation, in certain cases, from United States political conditions. These things, it was claimed, had no place in the flexible, easily-changed system of Canadian responsible government; they applied only to rigid systems such as that of the United States. Another pamphlet reviewed the platforms and showed in how many cases the Liberals and Farmers were agreed; much was said of the Liberal record in relation to Labour and of the past Liberal sympathy with Franchise claims for women.

Following his partial Ontario tour at the end of July, which is dealt with elsewhere, Mr. King faced the, then, imminent Elections with a visit to Windsor on Aug. 20, accompanied by Hon. H. S. Béland. Here he made an important reference to the Tariff: "Under the circumstances, now, we can't do away with the tariff. We say the first consideration is in the raising of the revenue necessary. It is not possible to raise the revenue necessary now by direct taxation. However, the Tariff should be revised so that it will serve the interests of the consuming class and not the monopolists and the big, selfish interests. It should be so that the food and the necessaries of life are made as cheap as possible. We should aim to make the implements of production in the national industries as cheap as possible. On some we would take off the duty altogether and on others reduce." Meetings followed at Seaforth (Aug. 31) and other points.

On Sept. 13 a large and influential delegation from P. E. Island waited upon Mr. King at Ottawa and urged him to be a

candidate for Prince County in the Island; as the 1919 law had made it illegal for a candidate to run in two constituencies, they urged the Liberal leader to stand in Prince County so as to ensure his election and leave him free for campaigning purposes; Mr. King, however, decided to rest his fortunes in North York. On Sept. 20, accompanied by Hon. W. S. Fielding, he spoke at a meeting of 4,000 people in Toronto, and touched on all the issues of the day as he saw them. He spoke of the colossal Debt being shouldered by the Canadian people—a Debt on which the interest was greater than the whole amount spent by the Laurier Government of 1911. He declared that the Meighen Administration had shown that it was not capable of the economy necessary if Canada was to have a contented and prosperous people. He appealed for the principles of Liberalism against the forces of reaction, and called for unity among all people of progressive ideas and high ideals against "the common enemy."

He denied that the Tariff was the whole issue: "In the mind of the Prime Minister it may be the issue; in the mind of the people, however, the issue is the Prime Minister himself and what he and his colleagues represent of autocracy and extravagance in the management of public affairs." As to the National Railways, he declared that their management and operation had been placed by the Government under a Board of Directors, the members of which were all the Government's own appointees and, with the possible exception of the Deputy-Minister of Railways, all immediate and close friends of the Administration. He denounced the Government as unwilling to give publicity to Railway management and conditions through information given to Parliament. Upon the general issue he made this comment: "The question, as matters stand, is not one between Government ownership and private ownership; it is, however, one between private interests and the interests of the public. x x x We ought to give Government ownership a fair chance, and a fair show before we condemn it, but we cannot give it a fair chance if we have the interlocking of Directors"—a reference to the National Railway Directors who were Directors of other large concerns. As to the Tariff, Mr. King read extracts from the Liberal Tariff Resolution of the recent Session, and added:

> It is for the principle of a Tariff for Revenue that the Liberal party has stood in bygone years; it is for that principle the Liberal party stands to-day, and it is for the principle of a tariff for revenue that the Liberal party will continue to stand if returned to power in the present contest. Let me tell Mr. Meighen that, while it is impossible to have an issue between a tariff based on the principle of protection and a tariff based upon the principle of free trade, it is possible to have an issue on a tariff primarily for revenue as against a tariff primarily for protection; and that upon this issue we are prepared to fight.

Mr. Fielding, in his speech, regretted the Railway situation and admitted anxiety as to the result: "But we have the Rail-

ways now, and I don't want to discuss whether we were wise or unwise in getting them. We have the Railways and I believe our true policy, at present, is to endeavour to administer them and see if we cannot make public ownership a success." He regretted the defeat of Reciprocity in 1911 and declared that had Sir W. Laurier consented to closure it could have been carried in Parliament. Upon the Railway matter and in the light of speeches in Quebec by Mr. Lemieux and others, the Toronto *Globe* (Sept. 11) urged the Liberal leaders to speak in terms which could not be misconstrued as to the continuance of Public ownership. Following this came a Maritime Province tour in which Ernest Lapointe, William Duff, Hon. H. S. Béland, and, upon occasion, New Brunswick and Nova Scotia Premiers, accompanied Mr. King. At Sydney on Sept. 26 he was introduced as the coming Prime Minister and declared in his speech that: "We are not for Free Trade. We are for a Tariff which is built up according to the revenue necessary; no legitimate industry need fear tariff revision by us." As to Labour, he stated there were four parts to Industry—capital, management, labour, and the public community—and all these were entitled to a voice in the management of industries. Instead of monopoly there should be joint control by these four interests.

Ensuing meetings were at Bridgewater on Oct. 1st and at Digby on Oct. 3rd. At Amherst (Oct. 4) 6,000 persons heard Mr. King and his lieutenants deal with the Premier's Manifesto and, in this industrial centre, the Liberal leader repudiated the Free trade charge and declared that: "Free trade is not the policy of the Liberal party. If it were, I would oppose it, because I believe it would bring disaster to our industries and remove from the farmers the home market which is practically the only market that they have left. Free trade may be all right for the wealthy grain growers of the West, whose wheat goes to the foreign markets and who do not have to worry about selling their products at home, but it would mean paralysis in the Maritime Provinces. I am a firm believer in the establishment of a national Coal policy for Canada. No country, especially a country with cold winters, which depends on a foreign nation for its fuel, can claim to be independent of that nation. x x x Every pound of coal purchased by the Government should be mined by Canadian miners and transported over Government railways to the points of consumption. Coal required by other consumers in Canada should be carried at cost."

At Charlottetown (Oct. 5) Mr. King had two crowded meetings, and described Sir W. Laurier as the first Canadian to demand that Canada be recognized as "a nation within an Empire"; Mr. Meighen was only his follower in this respect. His tariff utterance was a clever response to the Premier's Manifesto: "The Tariff is of importance, and our stand is well known. We believe in a tariff for revenue. The Protective tariff has led to profiteering on the part of its friends. Mr. Meighen stands for the interests who support him. He would revise the tariff in their interests. We stand for the rights of

the home and the people and would revise the tariff from the viewpoint of their rights. You can't raise the revenue we must have by direct taxation. There must be a Tariff for Revenue and not for Protection." A. R. McMaster also spoke, and Mr. Duff dealt, here and elsewhere, with Fishery interests and denounced the Merchant Marine policy. At Georgtown (Oct. 7) the Liberal leader declared that economy and "the strictest retrenchment in national expenditures are the crying needs of this country to-day," and that "a selfish combination of politicians and an equally selfish group of business interests" must be broken.

A series of other meetings followed on the Island, including Kensington and Summerside and three small agricultural centres which were addressed on the 11th. At O'Leary he stated, in reply to a question, that the Liberals had refused to accept a certain Farmers' candidate because "the Liberal party is not a class party and yours is a class candidate." Farmers were needed in Parliament, he added, but not as representatives of a class. At the Summerside meeting (Oct. 12) Mr. King referred to the Liberal platform of 1919: "I consider the platform as a chart to guide me, and with the advice of the best minds in the Liberal party as a compass, will seek to steer the right course. The platform was laid down as a chart. It stood primarily for two things—for (1) Tariff revision to reduce the cost of production and (2) to reduce the cost of necessaries of life."

The Liberal leader was at Moncton on Oct. 13, addressed three meetings there and declared that "the only difference between Mr. Meighen and Lenine and Trotsky is that the latter use physical violence to retain power, while Mr. Meighen uses legislative violence." At Sussex he was joined by Major C. G. Power, M.C., and by Hon. W. E. Foster, Premier of New Brunswick; the latter was prepared "to stake his future" upon a coming Liberal success. St. John was reached on Oct. 15, when, according to *The Telegraph*, Mackenzie King "captivated, charmed, and convinced" his audience: "Confidence of victory radiated through his every utterance. He displayed that fire and fluency, and a great deal of that indefinable dynamic something which marks every great orator." Mr. Premier Foster also spoke, and the speeches were very much along preceding lines except that the Liberal leader stated that Hon. Mr. Lemieux, in supporting Lord Shaughnessy's Railway scheme, spoke only as a private citizen. Mr. King's peroration proved very effective: "Let me say this to the people of St. John, Liberal or Conservative, forget the past and realize the future. The Liberal party seeks unity of class and class, creed and creed, race and race, Province and Province, East and West, this vast Dominion with the other Dominions of the British Empire. The Liberal party aims to restore goodwill to all, for on goodwill alone rests the solution of our difficulties. Only by co-operation can true advance and progress be attained, and I ask you to join me in making that aim a splendid reality."

At St. Stephen (Oct. 17)* Mr. King told the press that: "There is no understanding of any kind as to a compromise with Hon. T. A. Crerar or anyone else. The Farmers of Canada, irrespective of past affiliations, are already beginning to see very clearly that a great deal more can be done to attain the ideal they cherish by co-operation, with the other forces of progress which form the Liberal party, than by becoming identified with an organization of class aims and ambitions." Following addresses here and at Chatham, Newcastle and Campbellton on Oct. 18—with three members of the New Brunswick Government (P. J. Veniot, C. W. Robinson and J. E. Michaud) also speaking at Campbellton—Mr. King returned to Ottawa, where he took up the Munitions question. Speeches in Ontario came a little later, and the Liberal leader was at Orono on Oct. 26; Sutton and Stouffville on the 27th; Aurora on the 28th and Bolton on the 29th. At London on Nov. 4, where he had the support of Hon. Charles Murphy and Hon. C. S. Hyman, the local Liberal stalwart, and C. R. Somerville, Mr. King deprecated the Merchantile Marine project, the import of munitions from England, and the acceptance of British ships of war: "I am not against Canada doing her share in Defence or on the Sea. I think Canada must do her part in the defence of her coasts, as well on the seas as on the land, but it is for the Parliament of Canada to decide what shall be done in that direction. We want to build up the British Empire. We want to make it a united Empire, but you will never do it by secret councils."

On Nov. 8th Mr. King spoke at Sudbury *en route* to the West, and was at Port Arthur on the 10th; here he dealt with the Ellard charges as to Government acceptance of a note for the Riordon taxes, and declared that "we'll never get the Income taxes that we should get until there is a thorough examination of these big Companies and a proper collection of their taxes." The Leader's first speech on the Prairies during this tour (accompanied by Col. A. T. Thompson, ex-M.P., of Ottawa) was at Melville, Sask., on Nov. 12th, and here he warned the Progressives that he and his party were going to win and that the Farmers were heading straight for complete isolation of the Prairie Provinces. Mr. King declared that on his Western trip a year before he had regarded the movement as a desire on the part of the producers to give fuller expression to their needs in legislation. He pointed out, however, that the policies of the Liberals and the Progressives were so similar that: "We have now to consider whether it is to be a triumph for a name or for a principle. I would like the Progressives to point out wherein the principles for which they stand differ from those of the Liberal party as advocated in their platform. If there are some differences they amount to nothing if we consider how they are going to be enacted into law. What we want are laws which will give expression to the views and wishes of all the people, but it is only wasting time to try and carry extreme measures."

NOTE.—Toronto *Globe* despatch, Oct. 18.

He reiterated his claim that the Tory forces were absolutely devoted to the interests of privilege, and that there would only be a remnant of Toryism in the next House of Commons. As to fiscal matters, he said: "I challenge to-day any man or woman in the country to show that I have made any variation in my statements on the Tariff either in the West or the East. The question before the people is not Protection *versus* Free Trade, but how the Tariff is going to be revised. We intend to revise it, not from the point of view of Protection but from that of the revenue requirements of the country. We will place a tariff wall where necessary for revenue purposes." Dr. Michael Clark also spoke. Two great meetings were held in Edmonton on Nov. 14, with Col. Thompson and Hon. Frank Oliver also speaking and Hon. Charles Stewart in the chair. In dealing with the inter-locking of Directorates on the National Railways Board, Mr. King made the new charge that Insurance to the extent of $140,000,000 had been placed on the National System, of which $107,000,000 was placed in one Company in which two Directors were also Directors of the Canadian National. Contracts for equipment on the Railway were, he declared, also let through the same system of inter-locking Directorates.

He reiterated his view of the Liberal platform as a chart of guidance and, according to *The Bulletin*, added: "The Tariff is simply a wall which, if built high enough, will keep out goods and protect those behind. However, it can be made low enough to permit goods to come in and yet give sufficient Protection. Tariff for revenue only should be the object." At Calgary on the 15th, Mr. King addressed a large meeting. He would give no definite pledge as to the Wheat Board or Senate reform in replies to questions. As to the Progressives, he was more explicit than usual: "The Farmers' party is misnamed. It represents only those farmers who seek direct political action." He declared that his party represented all groups and classes, and had among its candidates representatives of every class. Coalitions were no longer wanted. He repeated that the Liberal Party stood for a Tariff for revenue in the interests of all producers and consumers. He vigorously denounced H. W. Wood's idea of Group government: "The greatest danger which this country faces to-day is group control according to district, or by geography." It meant isolation of a section from the rest of Canada. Hon. Duncan Marshall also spoke.

Another great gathering greeted the Liberal leader at Regina on Nov. 16, with Lieut.-Col. J. A. Cross in the chair. Mr. King declaimed against the alleged usurpation of the people's prerogatives by the Government and its waste and extravagance: "Who," he asked, "makes the issue? Is it Mr. Meighen or is it the people of Canada? What right has Mr. Meighen to say that the issue is confined to the Tariff?" He expressed renewed regret at the defeat of Reciprocity; had it gone through in 1911 conditions now would be very different.

He denounced the Government's refusal to put all Government Railway facts and conditions before Parliament: "If you cannot have Public ownership with publicity you cannot have it at all. One of the main purposes of Public ownership is that the public should know how far they are being milked one way or the other in the administration of that public utility. The Railways are not being given a fair chance; neither is Government ownership."

At Winnipeg, on Nov. 18, Mr. King, as elsewhere in the West, vigorously attacked the Board of the National Railways and declared that the whole management had been entrusted to a group of men who were not only Directors on the Railway Board but also Directors on many other concerns which dealt in goods and material required for the operation of the Railways. Upon the broad principles of Public ownership of railways, he said very little either in the West or the East; the mistakes of Government policy in lending money to the railways or in assuming control without consulting the country were strongly dealt with; the importance, the benefit or otherwise, of public ownership were not treated. Little was said by him or by Mr. Meighen as to Provincial control of natural resources; at Winnipeg Mr. King did say that if the Liberals were returned to power he would see to it that that question was given the very first and very best consideration. He was at Cobalt on Nov. 19, and on the 22nd was at Newmarket in his North York constituency; here, as in the West, he protested against the coming isolation of the Farmers' group in the country and urged co-operation as a better alternative.

Woodstock was visited on the 23rd, and the meeting was told that Parliament had not given the Minister of Finance the right to accept promissory notes from the Riordons or anyone else, and only Parliament, he contended, could give this power. In these more recent meetings and as the contest became more vehement, Mr. King had dropped his appeal to the similarity in policy and aims of the Progressives and Liberals; here he explained that it was only when the Progressive party showed its unwillingness to co-operate in fighting the common enemy that the Liberals had, in certain cases, decided to put men in the field. Dr. Clark had been a leader of the Progressives in the House, "but he came to see in the party a new form of Toryism since it sought for one Group what it was not prepared to concede to others"; he referred, also, to the Progressive opposition in the West to Hon. Duncan Marshall and Hon. W. R. Motherwell—two outstanding agriculturists. At Brantford, on Nov. 24, Mr. King stood for a Revenue Tariff which would protect industries, protect the farmers, protect the people of all classes, but would not create multi-millionaires, monopolies, mergers, trusts and combines.*

*NOTE.—Toronto *Globe* report, Nov. 25

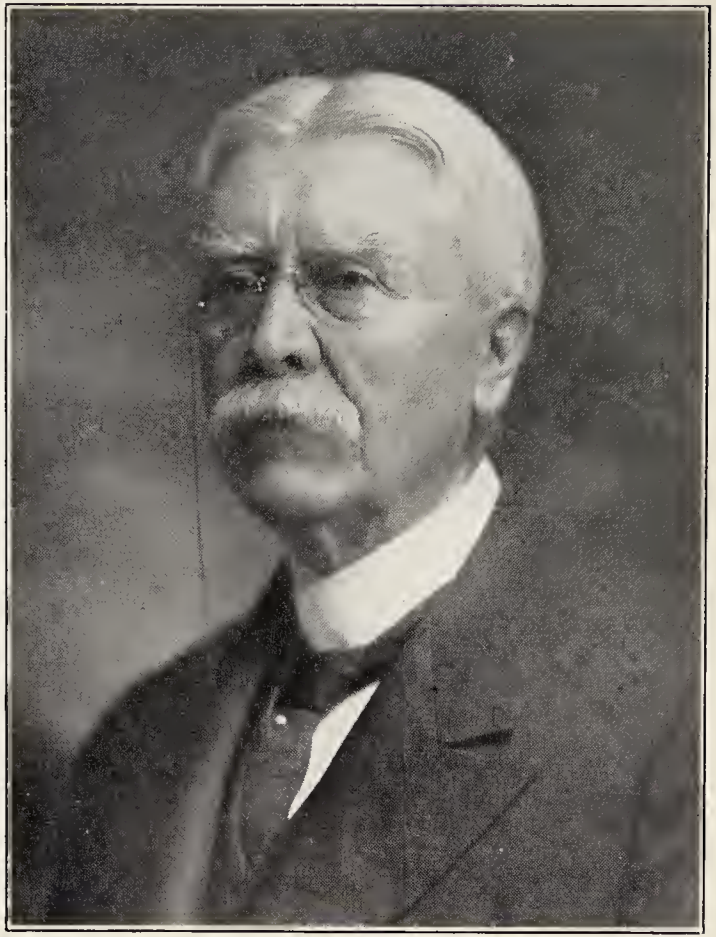
He was at Chesley on the 25th and Peterborough on the 26th and, as to the Tariff, declared that: "We want to build up, not to destroy, the industries of the country, and no industry doing a legitimate business, need have fear." The real issue was usurpation of power by the Meighen Government, which had assumed and held office without going to the people, had acquired the C. N. R. and Grand Trunk without the sanction of the people and was now filling the Senate with its friends to oppose the will of the people. At Pembroke, on Nov. 27, Mr. King stated the similarity of the Liberal platform with the objects of Farmers, Labour, Soldiers, and Women, to be as follows: (1) The desire to reduce the cost of living; (2) the reduction of duties on the necessaries of life and the implements of production; (3) retrenchment and economy in administration; and (4) representative, rather than autocratic, government.

He summed up the situation at Oshawa on the 28th: "Return of Mr. Meighen's Government means an endorsation of autocracy for another five years; return of Mr. Crerar and the Progressives means a leap in the dark to no one knows what; return of the Liberals will mean the formation of a Cabinet composed of the best men from every Province in Canada representing agriculture, labour, returned soldiers and the business, professional, and commercial classes." On Nov. 30 a large meeting was addressed at Gananoque and three meetings at Kingston. Here a more clearly defined statement of Railway policy than usual was given: "Public ownership of railways has not had a fair show. We want to see the Railways given a fair chance. We want to see if we cannot make the operation of this National System a success. We do not want in this country to have a monopoly of any kind." He told his audience that the total burden of taxation, based upon the amount voted by Parliament at the last Session, meant a levy of $310 on every family of five in the country. North Bay was reached on Dec. 1st, and here Mr. King gave his last speech of the campaign—apart from North York, in which he spent the next four days, and where, on Dec. 5, he issued a brief final Appeal to the Electors:

> The political campaign now drawing to a close has demonstrated clearly that, in the exercise of your franchise on Dec. 6, you will be called upon to decide, as respects the next five years:
>
> 1. Whether the affairs of our country are to continue to be administered by an autocratic Executive, indifferent alike to the will of the people and the rights of Parliament, as the Meighen Administration has been ever since its usurpation of power nearly a year and a half ago; or
>
> 2. Whether, at this critical time in our country's affairs and the unsettled condition of other countries, we in Canada are to experiment in our Federal politics with government by class primarily in the interests of class; or
>
> 3. Whether we are to have a return to representative and responsible government, in the fullest meaning of the words, with a due recognition of the character of the House of Commons as a deliberative assembly and of the supremacy of Parliament in all that pertains to our domestic, inter-Imperial and International affairs.



THE RT. HON. SIR ARTHUR JAMES BALFOUR,
K.G., O.M., F.R.S., M.P.
Given the highest Order of British Knighthood in 1921; Chairman of British Empire Delegation at the Washington Conference.



JAMES KAY MACDONALD
Founder of the Confederation Life Association and President since 1912; Celebrated in 1921 his 50th Anniversary of Connection with the Company.

4. As matters stand, a vote for the so-called National Liberal and Conservative party is a vote in favour of autocratic government; a vote for the so-called Progressive party is a vote in favour of government by class; a vote for the Liberal party is a vote in favour of a return to government of the people, by the people, for the people, irrespective of any privilege or special favour.

Policy of the Progressive Party; Mr. Crerar and the Farmers.

Following the defeat of Reciprocity in 1911 and the steady growth of the United Farmers' organization, both in the East and the West, the development of a new political party was natural—particularly in the West. Equally so was the choice of Hon. T. A. Crerar as leader. The son of a farmer, with experience as a school-teacher and a farmer, as a financier in his management of the Grain Growers' Company in Winnipeg and as a member of Parliament and of the Union Government, his selection as leader of the new Party was both natural and appropriate. Courageous and courteous, diplomatic at times and aggressive at others, he entered upon the 1921 campaign with an elaborate Party platform, with a record of success in seven bye-elections, with the expected support of nearly all the Prairie ridings, with the co-operation of the Drury Government in Ontario, the Norris Government in Manitoba, and the Greenfield Government in Alberta, and with a certain amount of assured support in all the other Provinces—except, perhaps, Quebec and P. E. Island. The Platform of the Party as to fiscal matters is given elsewhere; it will be found in full in *The Canadian Annual Review* for 1919* During the year and in the Elections, an immense amount of campaign literature was issued, much of it dealing with the Tariff.

The policy as to Railways was indicated in the following paragraph: "The question of placing the present loosely connected Government system of railways on a paying basis would seem to involve (1) re-valuation and re-capitalization; (2) a fiscal policy for Canada, which will encourage colonization and a rapid increase in the development of agriculture and the other basic industries of the country, and (3), if possible, an efficient administration free from political interference." In another leaflet it was stated, as to freight rates, that: "A reduction in rates may be forced, even if the financial condition of the Government roads does not improve, for it is questionable whether the business of the country can much longer carry the load. If it cannot, then relief may be found through a vigorous writing down of the liabilities of the roads, which would carry with it a corresponding reduction in rates." Economy was demanded: "Canada needs both population and capital. A very large proportion of this should come from the United States; but it is useless to expect an influx of people or money into Canada if the *per capita* expenditure is to be much higher than it is across the line. We get the people, but we don't hold them."

*Note—See Pages 365-8 in 1919 Volume.

The Sales Tax was said to hit the poor man chiefly; Canadians were said, in proportion to population and accumulated wealth, to bear heavier financial burdens than the Mother-land; a separate leaflet undertook to prove that the Fordney Bill and the loss of a market for $170,000,000 of Canadian products was "a direct result of Canada's action in defeating the Reciprocity pact of 1911"; the Income Tax was stated to have come to stay, and to be the chief source of future revenue; the Government Shipbuilding policy was called a fiasco with "painted ships upon a painted ocean"; Mr. Meighen was denounced for having "killed the Wheat Board," and Mr. Raney's charges, in Ontario, as to the Ford motor industry were re-published in full. The *Campaign Hand-book* denounced the Government for "arbitrary retention of power," for its War-Time Election Act excluding alien women from the franchise, for its alleged dependence on privileged interests in respect to campaign funds, for having a Cabinet with 12 lawyers in it, and not one farmer, for the "immorality and viciousness of the present Protective system," for its alleged support of monopolies, combines, etc., for a Free list which was said to be largely a "special privilege in the Tariff arranged to benefit a few," as the following list of duty-free Imports was quoted to prove:

Iron and iron ore partially manufactured	$19,536,135
Chemicals and chemical products, including acids, salts, dyes, colours, etc	13,388,654
Ores and metals other than iron and steel, including aluminum, copper, brass, etc	14,859,924
Non-metallic minerals and products, including sand, coke, petroleum, gasoline, etc	23,415,941
Fibres, textiles, textile products, including wool, cotton, hemp, jute, silk, etc	82,590,108
Vegetable products for manufacturing, including rubber, oils, gums, tobacco, etc	48,282,620
Wood, partially manufactured, including canes, rattans, hubs, staves, etc	1,447,715
Miscellaneous items	1,074,397
Total	$204,595,494

All through the year the *Grain Growers Guide* of Winnipeg and the *Farmers' Sun* of Toronto put up a clever, aggressive fight against the Government and the Tariff. Much was made of a speech delivered by Mr. Meighen in the Commons on Jan. 18, 1911, when in Opposition, and in moving a Resolution favouring "substantial reductions on agricultural implements." In this speech he charged the Laurier Government with trying to continue the Conservative protective policy despite preceding pledges of abolition, and with having forgotten the "guiding principle of the National policy" that: "As our industrial institutions advanced in strength, and, as they were able with every advance to acquire a hold on the home market, the import duties were to be diminished and adjusted in order to meet the evolving and changing conditions. It is that restraining, guiding, principle which I claim this Government has entirely overlooked, and, as a consequence, they have allowed Protection to run rampant, and they have, for reasons that are only too obvious, become the slaves of those who helped them into power and who now maintain them there behind the ramparts of gold." This was widely used and applied to Mr. Meighen, himself, and to his Government.

The New National Policy of the Farmers—freer trade and lower duties and reciprocity—was eulogized, in varied leaflets, as fostering the development of natural resources and of industries based on them instead of upon artificial interests. The United Farmers, in most of the Provinces, had their own local literature based upon that of the Canadian Council of Agriculture, but with considerable variations at times. In Ontario, the U.F.O. issued 9 leaflets which denounced class legislation as typified in the Government and the tariff interests; asked where were the 1,000,000 people lost to Canada, according to the Census, in the past ten years; dealt with the 370 millions of free goods, from which 204 millions were described as products helping protected manufacturers and not the consumers; advocated the Initiative, Referendum and Recall as a "trustworthy and effective policy"; supported Proportional Represenation and deplored the continued decrease of rural population and increase of urban population; denounced the Merchantile Marine and re-published the Platform of the Council of Agriculture.

In Alberta, the U. F. A. issued a series of leaflets. In these special attention was drawn to the fiscal opinions of Sir Lomer Gouin, as indicating the necessity of Western Liberals supporting the Progressives; the Party system was denounced as a failure from both a business and national standpoint; H. W. Wood's policy of Group organization was defended and advocated with an address along these lines by Mrs. Walter Parlby published in full; Mr. Wood's action in condemning efforts to amalgamate Groups with different viewpoints was endorsed as producing "confusion and disorder"; co-operation between Farmers and Labour, however, was urged so far as voting strength was concerned; the Sales Tax was suggested as a more equitable form of taxation than the Tariff; Sir Lomer Gouin was denounced as "the Czar of Quebec," and it was declared that Protectionists in the East were combining to isolate the West; the leaders of the "Made in Canada" campaign were described as using Foreign-made motor cars, and many individual cases were quoted.

The Progressives and the Grain Enquiry. This subject was warmly and constantly debated during the Elections and during the first part of the year, also, was conspicuous in Western discussions. The Western farmers in 1920 and 1921 were not satisfied with the grain dealers' conduct of their business and the abolition of the Wheat Board, with a succeeding demoralization in prices, enhanced this feeling. Government control of grain marketting was a means of relief under consideration, and was increasingly advocated; it was, naturally, not entirely favoured by Mr. Crerar and those interested in the Manitoba United Grain Growers or in other Provincial organizations established by the farmers to facilitate the sale or shipment of their products. To a considerable extent, at this period,

the North-West Grain Dealers' Association and the United Farmers' Grain Companies controlled the Western grain trade between them; how far they may have controlled prices or actually affected the situation to the detriment, or otherwise, of the farmers was a point of controversy into which politics inevitably entered.. There certainly was no proven relationship between them.

In the Commons, on Feb. 24, R. C. Henders, who had been President of the Manitoba Grain Growers' Association, but had differed with that body, and was now supporting the Meighen Government, declared that "the handling of the wheat crop was the question of paramount importance" in the West: "Rumours are rife, charges and counter-charges of wrong-doing are in the air, and the result is that the minds of the Western producers are agitated abnormally on this question. The dismissal of the Canada Wheat Board meant that the business of handling our wheat reverted back to the Grain Exchange, to the old system of grain handling. Some of us were seriously disappointed when that reversion took place. The Grain Exchange began to function. In a very short time the price of wheat began to drop. I do not know whether it is necessary for me to point out why these prices dropped. I know that large bodies of responsible farmers considered that the grain exchanges were to blame." He specified, though not in very detailed form, various charges; the United Grain Growers were not mentioned. Other speakers, especially Government ones, urged an Enquiry into the whole system, and there were direct efforts to include the Grain Grower Companies in the charges—some taking the form of allegations that the Elevators shipped more grain than they received from the farmers. There was much general discussion of the matter and, on Apr. 11, the Government announced the appointment of a Royal Commission, composed of Hon. J. D. Hyndman of the Alberta Bench, W. D. Staples of Fort William, J. H. Haslam of Regina, and Lincoln Goldie of Guelph. It was understood that H. W. Wood of Calgary was invited to join the Commission but declined. The points for investigation were officially stated as follows:

1. The grading and weighing of grain.
2. The receiving, handling, and shipping of grain through country elevators and from country points.
3. The operation of Grain Exchanges by the members thereof.
4. The handling of grain at terminal points; the holding of grain at terminal points.
5. The operation of public and private terminal elevators and Eastern public elevators.
6. Operation of the Lake Shippers' Clearance Association, and of the North-West Grain Dealers' Association.
7. The trimming of grain at the upper and lower Lake ports and Ocean ports.
8. Lake shipments; the shipment of grain to Atlantic and Pacific ports; the operation of Canadian flour and feed mills.

It was at once asserted in political circles that the chief object of the Commission was to cast discredit, if possible, upon the Grain Growers' Companies; Mr. Justice Hyndman, in Winnipeg, on Apr. 28, said he had heard these rumours but that there was no truth in such an assumption. The *Grain Growers' Guide* of May 4 would not accept this statement, and, without reflecting in any way upon the Judge himself, maintained that the Commission was appointed to produce information and bring forward recommendations of a character to create divisions among the ranks of the Western farmers and destroy the effectiveness of their political movement. On May 9th, following, the Western members of the Canadian Council of Agriculture met in Winnipeg and passed the following Resolutions:

1. That the Board of Grain Commissioners for Canada, if composed of capable men, sympathetic to the purpose for which it was appointed, would be competent to deal with all matters pertaining to the grain trade of Canada.
2. That to appoint as a member of the Enquiry Board one who for nine years (Mr. Staples) has sat as a member of the Board of Grain Commissioners, and whose failure properly to administer the Grain Act would constitute the principal ground for appointing a Board of Enquiry, is a fundamental breach of the principles of any enquiry conducted in the spirit of British law, and, therefore, is highly undesirable in the public interest.
3. That any design on the part of the Government, as suggested in the columns of the press in many quarters of the Dominion, and by speeches from public men, to have the recently appointed Grain Enquiry Board used against the organized Farmers' movement in the West for partisan political purposes, is a prostitution of Governmental authority, and will be resented strongly.
4. That, as the accredited representatives of the great body of grain producers of Western Canada, and as having intimate knowledge and experience of the disastrous conditions obtaining in these Provinces due to prices for grain having fallen below costs of production, we are vitally interested in every phase of the problem of grain marketting, and are persuaded that improvements must be effected, and consequently would heartily welcome a genuine Enquiry for the purpose of bringing about such improvements in facilities for grain marketting as would ensure to the farmer a fair price and a stable market.

On the following day the Directors of the United Grain Growers, Ltd., met and decided by formal Resolution to apply to the Courts for an injunction which would restrain the new Board from enquiring into the affairs of the Company should it attempt to do so. The Enquiry began in Winnipeg on May 23, with Judge Hyndman as Chairman, and he stated that its object was: "To ascertain all the facts surrounding the handling, financing, transporting and marketting of grain, beginning when the farmer hauls his goods to the railway, whether to elevator, mill or loading platform, and tracing it until it reaches the ships for delivery in an ultimate market. Necessary tolls are exacted at various stages of its progress, and it is incumbent upon us to examine each step to find out (1) whether or not each step is essential, and (2) whether the tolls are fair and reasonable; also if the present systems of grading, weighing and dockage are

the best obtainable, always keeping in view that which is practicable under existing conditions. Our investigation will also carry us into an examination of the Banking methods in vogue and the system of marketting through grain exchanges. It may be that in the progress of the investigation allegations will be made against specific parties. Before accepting such as facts, satisfactory evidence will have to be adduced and the fullest opportunity will be granted such persons to meet these charges (if any)."

R. A. Bonnar, K.C., and W. W. Kennedy acted for the Commission, Isaac Pitblado, K.C., for the Winnipeg Grain Exchange, and Matthew Snow for the North-West Grain Dealers. A series of witnesses were examined and the Commission was at Gretna, Man., on the 25th, at Carnduff, Sask., on the 27th, at North Portal on the 29th, at Weyburn on the 30th, at Assiniboia on June 1st, at Shaunavon on the 3rd, and at Maple Creek on the 4th. At points near the border many of the witnesses were Americans. A special meeting was arranged for Fort William on the 4th, and here the first charges touching the Grain Growers developed. The Secretary of the Commission, Charles Birkett, under powers given by Order-in-Council, was temporarily appointed by two of the Commissioners to act for the Board. The chief witness, on June 4th, was R. J. Henderson, formerly employed by the Grain Growers' Grain Co. as Superintendent of their Elevator at Fort William, and he stated* that he had accused the Company of using false bottoms in weighing grain, of transferring $50,000 in profits from the Terminal Elevator to the Export branch, of shipping 2,000,000 bushels of wheat, in 1912-13, without warehouse receipts, of not giving the C. P. R. credit for a matter of 40,000 bushels of wheat. He also stated that these accusations had been laid before the Grain Exchange two years before this.

An affidavit as to false bottoms in certain Elevator bins was also submitted from another former employee—James Kittridge—but he did not appear to testify in the matter. J. R. Murray, Asst. General-Manager of the Company involved, protested vigorously (June 6) against this meeting as a secret, hole-in-the-corner one, and as planned for the purpose of exploding upon an unsuspecting public "the bombshell" which, he said, was so generally expected at Ottawa when the Enquiry Board was first suggested in Parliament. The only Counsel present, he stated, was Mr. Bonnar, and no public notice was given as to the sitting. On June 8 Mr. Crerar, President of the Company, arrived in Winnipeg from Ottawa and at once issued a statement denying the charges absolutely:

The United Grain Growers, Ltd., have nothing to conceal from any impartial tribunal. Its record in the past is evidence of this. For example, before the Cost of Living Committee of the House of Commons

*NOTE.—Despatch in Toronto *Globe* of June 5th and in the press generally; Evidence reported at length in Winnipeg *Free Press* of June 6th.

in June, 1919, everything that was asked for was produced in the utmost detail, and again when Price, Waterhouse & Co., investigated the terminal elevators, everything asked for was produced. The present Commission, however, has confirmed our suspicion at the time of its appointment that it is not impartial, but was appointed purely for political purposes—in other words, to discredit me, and to injure as far as possible the Grain Growers' movement.

The proceedings at Fort William were denounced as high-handed and illegal; the Company's solicitors had even been refused a copy of the evidence. He then took up the charges in detail—as given in the press, and refuted them to the satisfaction of his friends and his party. They were, of course, used largely in the ensuing Elections, and especially in respect to the injunction which came later. Meanwhile, the Commission proper, after leaving Maple Creek, Sask. (June 4), proceeded to Medicine Hat, Alberta, on the 6th, and was at Lethbridge on June 7-8, at Macleod on the 9th, at Nanton on the 10th, and Calgary on the 13th. Very largely, the evidence was a repetition of that heard in Saskatchewan. The farmers declared their satisfaction with the Wheat Board and its handling of the 1919 crop, condemned gambling in options on the Grain Exchange, favoured the cleaning of grain either on the farm or at country elevators, claimed that shipping weeds and other dockage to the terminals was a wasteful practice.

Following the Fort William episode the United Grain Growers, Ltd., took action and applied to the Courts for an injunction restraining the Commission from further enquiry. On June 13, Mr. Justice A. C. Galt granted an interim injunction, to take immediate effect, with the question of a permanent one to be heard on June 22. The statement of claim in the matter alleged that the Order-in-Council by which the Commission was appointed, was "wholly illegal, unlawful and void," and was issued without any lawful authority. A declaration was sought that the Canada Grain Act and its amendments were *ultra vires* and beyond the powers of the Parliament of Canada to enact. The plaintiffs also sought to have the Commission restrained from further action and for a ruling that it was not authorized to take evidence under oath or to make reports. Judge Hyndman stated, in comment, that the Commission had intended to hold an early sitting in Winnipeg and hear all sides in regard to the Fort William meeting; he thought the order of the Court might only apply to Manitoba, but decided to accept the order. The Toronto *Globe* estimate of the situation (June 15) was that: "The Enquiry has proceeded far enough to arouse suspicion, but not far enough to justify any expression of opinion. A thorough ventilation is demanded by the magnitude of the interests involved as well as by considerations of business integrity."

C. Rice-Jones, General Manager of the Company, issued a statement, on June 18, that the charges were political, that the 36,000 shareholders of the United Grain Growers were satisfied with the Company, that two exhaustive enquiries, honestly con-

ducted, had failed to find anything wrong. Speaking at Souris, Man., on June 22, Mr. Crerar described the whole Fort William episode as a "distortion of justice," and the Grain Enquiry to be "political in complexion and character." On the same day the case for a permanent injunction came before Mr. Justice J. P. Curran of the Supreme Court, in Winnipeg, with a great array of lawyers before him and an equally varied expression of views. Aside from the alleged illegality of the Canada Grain Act and the absence of power in the Government to appoint such a Commission, the chief contention was that the powers granted were issued to 4 Commissioners as one body without any right to sit separately. The Judge, eventually, withheld his decision but, on July 11, issued a judgment declaring the Commission's appointment by Order-in-Council invalid and confirming the interim injunction.

Following this incident, Mr. Crerar wrote, on June 13, to D. C. Coleman, Vice-President of the C. P. R., at Winnipeg, and asked him to investigate the charges so far as the Railway was concerned; this was promised, and on July 11 Mr. Coleman wrote to Mr. Crerar stating that, after careful investigation: "We are convinced that a proper accounting was made to us for all of the grain in the Elevators, when turned over to your Company." Meanwhile, on June 29, Mr. Crerar had written to L. H. Boyd, K.C., Chairman of the Board of Grain Commissioners, enclosing a copy of Henderson's evidence at Fort William and asking him to undertake the most thorough investigation possible, under oath, and with all the assistance the Company could give; a reply was received expressing willingness to undertake the Enquiry as soon as other business was got out of the way. On Aug. 6, R. J. Henderson issued an open letter re-affirming his charges and inviting enquiry by the same Board.

On Sept. 26 a Government appeal from the decision of Mr. Justice Curran was heard in the Manitoba Court of Appeal; after several days' hearing of elaborate legal opinion, judgment was held over; on Nov. 14 it was announced that the Curran judgment was dissolved, and that the Royal Grain Enquiry Commission was a legally constituted body entitled to proceed with its investigation of the Canadian grain business. Mr. Premier Meighen, speaking on the same day at Carman, Man., stated that it was the duty of the Commission to go on and that he had wired Judge Hyndman accordingly. Meantime, on Nov. 4, the United Grain Growers' Co. had issued a statement as to investigations which they had been carrying on and which showed that during Henderson's term as Superintendent of the Elevator, duplicate slides (pieces of sheet metal less than two feet square) were put in the spouts of some of the small bins; that the effect of this was to prevent grain running out of these pockets when the valves were opened in the usual way; that this might result in a quantity of grain being concealed at the annual weighing-up, if the Government weighmen and inspect-

ors were careless in the performance of their duties. The time in question was 8 years before and the Company, lacking power to examine anyone under oath, stated that they had been unable to determine whether or not a crime against the Company was actually committed. In order to get at the facts they had asked the Grain Commission to undertake a full investigation. At Basswood, Man., during the Elections (Nov. 19) Mr. Crerar made an elaborate speech which, was widely published, reviewing the whole question and the charges made; on Dec. 5 leave of appeal from the Manitoba Court of Appeal was granted, and the subject remained open for Election controversy.

During the Elections it was the basis of many attacks upon the Progressives as a party. R. C. Henders, who had campaigned in Ontario for Mr. Meighen, charged Mr. Crerar and his Company there and, later, in the West with preventing the enquiry for reasons which he stated. At Neepawa, on Oct. 4, he dealt with his demand in Parliament for an enquiry, and his speech took up nearly a page of the Winnipeg *Free Press*; he repeated the charges as to the secret shipment of grain and the use of false bottoms. Brig.-Gen. H. M. Dyer, D.S.O., a pioneer grain grower of Manitoba, who was Government candidate against Mr. Crerar in Marquette, made, for some time, daily addresses charging the Progressive leader, as head of the United Grain Growers, Limited, with making big profits out of the business, while the average farmer member of the organization was not benefitted and the shipping and marketting facilities on the prairies were no better for the grain men than they were before the Grain Growers' organization entered the field. In response to this Mr. Crerar issued an Address to the constituency denying any personal profits whatever, promising to meet the issues shortly on the public platform in Marquette and declaring that his critics and opponents were "seeking to divert the mind of the people from the real issues which so seriously confront the Dominion" by raising the "class" cry against the farmer, by impugning the loyalty of those who supported the Progressive movement in Western Canada, and by directing, in a most unscrupulous manner, personal charges against himself. In a speech at Walkerton on Oct. 21, Mr. Crerar stated that his total annual dividends from the United Grain Growers, Ltd., did not exceed $10.00.

The Clark-Crerar Controversy and the Elections. Meanwhile, the views of Dr. Michael Clark, Liberal Member of Parliament in 1908-17, a Liberal-Unionist until 1920, and a follower of Mr. Crerar during the ensuing year, became prominent owing to his renunciation, just before the Elections, of his affiliation with the Progressive party. On Sept. 14 Dr. Clark wrote to Mr. Crerar from Edmonton that he must not count upon him as a candidate in Alberta and gave, as his chief reason, the advocacy by the United Farmers in that Province of the Group system of government as propounded by H. W. Wood, President

of the U. F. A.: "Mr. Wood, whose organizing ability is great and admirable, seems to think he has found something new in the idea of group government. It is as old as the hills. True Liberals fought it in Britain and Canada alike, under restricted franchise, and as people rightly struggling to be free. The House of Lords, the Family Compact, the Manufacturers' Association, and the junkers and militarists of Germany are each and all examples of group government, and the progress of humanity has been proportionate to its ability to free itself from the domination of these groups. Class consciousness is none the less class selfishness, and therefore doomed to die, because it suddenly appears in Farmer and Labour parties."

On the 19th the Progressive leader replied from Winnipeg and described Mr. Wood's views as "related, mainly, I think, to methods of organization," and, in any case, as having no part in the Platform of the Progressive party: "The slender implication in your letter that I have submitted to the idea of class domination is entirely unwarranted. As stated, that idea is in no sense a part of our programme. I do not believe in class legislation, nor do I believe in class domination." Dr. Clark (Sept. 20) accepted this "emphatic endorsation of my opposition to the economic group in politics and to class legislation and attempted domination" as an important contribution to current discussion. He denied, however, that the "group" policy was a matter of organization, and cited the recent canvass in the Alberta Provincial elections, the political position of the United Grain Growers, Ltd., whose shareholders, he alleged, were "in politics as a group," and the current announcement that "a gentlemen's agreement exists between the Independent Labour Party and the Farmers," as to the Tariff. He still agreed with Mr. Crerar regarding the Tariff but present co-operation on other issues was impossible. This correspondence was widely published and, naturally, was made much of by the Liberal and Government press and speakers.

Mr. Crerar's Platform, Policy and Manifesto. During the year the Progressive leader made a number of speeches but not in quite the same proportion as the Premier and Liberal leader until the Election became imminent. His opening speech of the campaign was at Brandon, on Oct. 5, and in it he strongly denied that he favoured class government, challenged the Government to show the source of its campaign funds, admitted that he was unalterably opposed to the Tariff policy of the Dominion, charged that "big business" was attempting to control the Election for sinister purposes as, he insisted, it had controlled past Parliaments in Canada, and urged that a plot was afoot to return the National Railway System to private ownership and establish a monopoly of transportation. In defending the Agrarian movement he said: "The farmer is both a capitalist and a labourer. He owns his land and works with his hands, and his investment is in his property. Do you think, therefore,

that the farmer will be a 'free wrecker' and attempt to tear down existing institutions? There is nothing to it. Nor is there anything to the claim that if the National Progressives are returned to power, our legislation will be class legislation, or that there may be a class domination. Let me say I detest class domination and class legislation. This movement is in all essentials a movement of Liberalism; I mean the spirit of liberalism that overran Italy, that is working its way through every Anglo-Saxon country in the world."

As to the Tariff, he said: "I stand opposed to the principle of Protection and I trust I ever shall. Our policy rests on this consideration, that the wealth of Canada can be best developed or added to by developing the natural resources of this country. Agriculture is an industry, as are lumber and timber developments. These are the real great industries of Canada. If you take the total exports of Canada last year, more than one-half had its origin on the farms of Canada. x x x A Protective tariff is an arbitrary interference with the natural process of trade. If tariff protection is good, why not make it absolute so as to keep out imports altogether. x x x I ask you, when it requires Protection for an industry to compete in Canada, in the home market, how on earth is it going to export? And when it is able to export, why then does it need any Protection at all?" As to the rest: "There is another fundamental truth—that you cannot sell unless you buy and that in the great general scheme of international trade, goods are paid for in goods." Prosperity had been caused in the past by Immigration and the opening up of fertile lands, and not by Protection. Upon the Railway problem he was explicit:

> Let me say most emphatically that wherever the solution is to be found it must not be along the lines of fastening a Railway monopoly upon the Dominion. There are some of our statesmen in Eastern Canada who would turn the roads back to private ownership. Our Railway difficulties cannot be solved in that way. Wherever you go in the financial markets of the world there are no securities so unattractive as railway securities. We cannot hand back the railways to private ownership without terrific loss, and those who would hand them back are not reckoning all of the facts. We have built railways beyond our needs, we have more miles of railway per thousand of population than almost any other nation. We have railways enough for twenty million people. We must shape the policy of our railways to bring in more population, and we must keep the people here when we get them.

In his nomination speech at Shoal Lake (Oct. 7) Mr. Crerar referred again to the Progressive movement as embodying the new Liberalism of Canada; devoted some space to denouncing Mr. Henders as recreant to his old faith and the Farmers' organization he had helped to build up, and as having signed a pledge to support the Government through thick and thin; described the Grain Enquiry as purely political and declined to discuss it in detail; declared that there were other issues than the Tariff and especially the Railways, the domination of the Big interests, and reduction of the National Debt. As to the

Tariff: "My position and the position of the Progressive party is this, that the principle of Protection is unsound as a fiscal policy for Canada. I want to say, also, that for purposes of revenue it will be necessary to raise a considerable amount of money by tariffs for a number of years at any rate, but there should not be a tariff that is based on the principle of Protection." On Oct. 17 the Progressive Leader issued a Manifesto to the people of Canada. In it he declared the Tariff an important question, but the "supreme issue" was "whether our Government is to be free or fettered, and whether legislation in the future shall be for the few or the many." The Address was too long to reproduce in full, but the following quotations will indicate its character and are taken with due consideration to the context:

To an alarming degree the belief has grown, and prevails, that the agency of government has been used for the furthering of personal, or sectional, or class interests, and that special interests have been able to influence legislation to their own gain, at the expense of the public weal. This must be set right.

No one who has studied closely the Farmers' movement, so-called, in Canada but will admit it has imperfections. But no one who studies it and is honest will deny that it embodies an inspiration for purity in government, for higher standards of public morality and for the sweeping away of special privilege in all its forms.

It is a fact beyond dispute that in the past campaign funds have been provided by railway promoters, by manufacturers, or by other interests which were actuated, not by any desire whatever for the public welfare, but solely by the sordid hope of getting benefits in the way of legislation and by administrative favouritism from the party they assisted in returning to power. It is not too much to say that the deplorable and serious railway situation which we have in Canada to-day is, in a very large measure, the off-spring of this system. x x x We (the Progressives) are free men and we want a free Parliament, and to that end scores of thousands of voters throughout Canada are providing the funds necessary to carry on the election campaign.

The National Progressives have certain definite constructive policies upon which they invite the judgment of the Canadian people. In this connection we place in the front rank the fiscal and trade policy of this country. Where does the source of our national wealth lie? It lies in the development of our fertile lands, our forests, our mines and our fisheries. It does not lie in importing raw material and turning it into manufactured goods under high Protection.

There is also the moral aspect of the protective system. Nothing that is morally wrong is economically wise. It is a notorious fact that many companies carrying on a manufacturing business in Canada have been re-organized, and re-organized again, through the agency of the stock promoter. Watered stock to the extent of millions of dollars has been injected into the capital of many of these companies enjoying the highest Protection. The owners of this stock—worthless at the time it was issued—have since reaped huge profits from it through the operation of the tariff.

What then are our proposals? Our goal is the ultimate elimination of the principle of Protection in our fiscal policy. But we recognize that changes must be brought about in a manner that will give a fair opportunity to Canadian industries, now enjoying protection, to adjust themselves to them. To the end that our agricultural resources may be developed in the fullest degree possible, we propose removing the duty from agricultural implements; and also from much of the mining and sawmill machinery for the encouragement of these industries. To lessen

the cost of living a substantial reduction in the general tariff should be made and, especially, upon those things that come within the category of the necessaries of life. Essential foods we shall also place on the free list.

We must rigidly bring our public expenditures within the limits of our public income, and that at once. We should have some co-ordination of financial policy for the Dominion as a whole and some understanding reached, particularly between Federal, Provincial and Municipal authorities, as to the relative fields of taxation and of expenditure. Drastic economy in public administration must be introduced and carried through.

Markets for Canadian products must be found, and when we come to a consideration of this, without doubt, the great country to the south of us comes to mind. It is true that to-day the United States has put restrictions upon trade with Canada. It is a mistake to think that this has been done in a spirit of hostility to Canada. They very naturally have assumed that we are not anxious to trade with them, for we said so in 1911. Canada must always maintain her self-respect, but it is not derogatory to that self respect to go frankly to our great neighbours to the south and say to them: Let us sit down and reason this thing together.

The financial position of our National Railways is one of the most serious problems of the hour. These roads have come into the hands of the people through the breakdown of private management, which has resulted in costly and unnecessary duplication. The plain fact is we have enough railways in Canada to serve the needs of a population double what we now have. What we need is more population to provide more freight and passenger traffic, and this will come and remain here only if the country is prosperous. With population and business these roads can be turned into a good asset, and this potential value must not be sacrificed.

On Oct. 17 Mr. Crerar commenced, at Brampton, Ont., a campaign in which he was aided at various meetings by Hon. E. C. Drury, Progressive Premier of the Province, J. J. Morrison and R. W. E. Burnaby of the U. F. O., and different members of the Provincial Cabinet, including Hon. Manning Doherty. Much of Mr. Crerar's speech was devoted to the alleged special Protection given to concerns like the Dominion Textile Co.; "The whole of the Canadian people from one end of Canada to the other have been penalized, in order to give employment to a few thousand people working in the cotton mills. Do cotton textiles need the protective duty which they enjoy at the present time?" He promised moderation in treatment of these interests, however, if returned to power: "The Progressives would have as their goal the future elimination of protective tariffs, but they realize that industries built up under such tariffs would suffer if the tariff were swept away all at once."

Mr. Crerar was at Woodstock on the 19th, and gave the cream separator manufacturers as an illustration of what could be done without Protection; he was at Wingham and Seaforth on the 20th, and at the latter place illustrated his claim that the tariff had been operated to keep the cost of living up and to enrich vested interests by naming the Ames, Holden, McCready Co., Ltd., footwear manufacturers, the Dominion Glass Co., and the Sherwin-Williams Paint Co., Ltd. He was at Walkerton on

the 21st, and here he spoke of the Grain Enquiry and said that W. D. Staples was a politician, that two other Commissioners had been unfriendly to his Company, and that R. A. Bonnar was personally hostile; he was at Shelburne on the 22nd, supported by J. J. Morrison and Miss Agnes MacPhail, and continued his attack on alleged Tariff-produced mergers with the Dominion Textiles as an illustration. During this first week he spoke at other places than those mentioned, which were sandwiched in, and sometimes made two or three speeches at one place.

A Maritime Province campaign was started at Woodstock, N.B., on Oct. 25, and here, in dealing with Government references to H. W. Wood as "the man from Missouri," he stated that in the Farmers' Government of Alberta there was not a member who was not either of British or Canadian birth. His answer to the Home market contention was that Canada produced 300,000,000 bushels of wheat and the people of Canada could only consume 75,000,000 bushels; that Canada exported 190,000,000 pounds of cheese without any regard to the home market. At Sussex, on the 27th, he declared that Mr. Wood was a Canadian citizen and British subject, naturalized ten years before this time, and that Sir R. Borden, in 1917, had invited him to join his Union Cabinet. Here, G. H. Perkins, the Agrarian candidate, supported the Recall, and said he would put his resignation in the hands of six men and that unless he "made good they could make him come back and go to work." He spoke at Antigonish, N.S., on the 28th, and at Sydney on the 29th; on Nov. 1st he was at Summerside, P.E.I., and here he claimed that in the mergers of 200 concerns approximately $215,000,000 of watered stock had been included. He also declared that the future of Canada lay in world trade, and in the development of industries based upon the natural resources of the country.

Charlottetown and Georgetown were visited on Nov. 2nd, and, in reply to questions about revenue and taxation, he stated that the purpose of a protective tariff was not to raise revenue but to keep competing goods out, and a more moderate tariff would permit more foreign goods to come in and yield more revenue; that the Land-tax proposed by his party was one upon wild lands held by speculators. He was at Amherst on the 3rd. Mr. Crerar spoke at Ottawa on Nov. 5, and advocated a change in fiscal policy that would remove "state aid from special interests," and prevent "combines and price control," which were obstacles in the way of the development of natural resources and of growth in population. He denied the existence of an alliance between his party and the Liberal Opposition. He dwelt at length on campaign funds, and alleged that the Prime Minister had not responded to his challenge to disclose the source of the money the Government was spending for election expenses, and asked why it should now try to get back into office through advertising! The solution of the Railway problem of the country, he said, lay in a policy that would double the population. His ensuing Ontario meetings were as follows:

Smith's Falls	Nov. 7	Toronto	Nov. 11
Prescott (evening)	" 7	Guelph	" 12
Kingston	" 8	Stratford (evening)	" 12
Napanee (evening)	" 8	Dunnville	" 14
Picton	" 9	Brantford	" 14
Oshawa	" 10	Milton	" 15

Barrie (evening).....Nov. 15

At Prescott Mr. Crerar stated that a subsidiary of his Grain Company doing business in New York had made a profit of $553,000 in one year in handling 86,000,000 bushels of grain; it was almost entirely United States grain, handled with money borrowed from American banks, and the net profit was about three-quarters of a cent per bushel; as a business matter he was proud of this record. Here, he also stated that: "If we are returned to power one of the first things to be done will be to open negotiations with the United States with a view to securing Reciprocity in natural products." His Toronto meeting was addressed by Mr. Premier Drury and by Miss Mary McCallum, Ass't Secretary of the Canadian Council of Agriculture. Mr. Crerar, here, criticized the form of Canadian representation at the Washington Conference: "This question of Canada's status is an important question. We should have some declaration from the Prime Minister of Canada as to why Canada is not represented at Washington to-day in this great Conference in the same way as she was at Versailles, and as she is in the League of Nations. We should be represented at Washington in our own right, or we should not be represented there at all."

He declared that agriculture was in a more critical condition than it had been at any time within the past 20 years, and that wheat, which sold a year before at $2.50 per bushel, was now selling at $1 in the elevators, the farmer getting about 75 cents per bushel. What good was the Home market under these conditions? At Stratford James Simpson of Toronto spoke with Mr. Crerar, and attacked both Senator Robertson and Mr. Murdock. In a letter written from Dunnville, on Nov. 14, to E. A. Partridge of Sintaluta, Sask., Mr. Crerar did not appear to be very favourable to a Wheat Board, and for this year the difficulties were stated to be insurmountable; he declared that "an immediate, substantial reduction of freight rates, particularly on grain, would give some relief, and should be made at once." He added that the Progressive platform did not demand a Wheat Board, and that Western farmers were not agreed on any one policy as being the most suitable solution of this question: "For the permanent solution of the marketting problem I favour co-operative effort on the part of the farmers themselves, and any reasonable measure of Government assistance that may be necessary to help it to success will be entirely justified."

During this Ontario tour Mr. Crerar had large meetings, and was acclaimed constantly by other speakers as the next Premier of Canada; he made few, if any, references—except an indirect one in Toronto—to Canada's relations with the Empire

or with the outside world apart from an occasional Reciprocity utterance; he was at St. Boniface and Norwood in Manitoba on Nov. 17, and declared that the Progressive movement was growing rapidly. Following this, he addressed other meetings in the West—Basswood on the 19th, when he made an elaborate defence against the Grain Enquiry charges, and Roblin, on Nov. 22; he was at Humboldt, Sask., on the 23rd, and at Saskatoon on the 24th, when he dealt for some time with the National marketting of grain, and was, he said, in favour of the re-establishment of the Wheat Board if it would tide over, or ameliorate in any degree, the present lamentable marketting conditions. He was at Regina on the 27th, and dealt at length with Wheat marketting and the Meighen Pool proposals; reiterated his grave doubts as to the advisability of a permanent Wheat Board, and declared that the "farmers of Western Canada could more effectively market their grain through their co-operative organizations, created for that purpose, backed by any reasonable assistance from Governments to help them carry the grain until **marketted."**

For an emergency the Board might be revived, but he did not believe it would do all that was claimed for it. As to the Tariff: "Protection has not assisted agriculture or furnished it with a home market. On the contrary it has added to the cost of everything the farmer needs and has discouraged the production of wealth." Here, and elsewhere throughout this week, Miss McCallum also spoke as to the place of women in the contest. At Hamiota, Man., on Nov. 29, Mr. Crerar admitted to his meeting representatives of General Dyer, the Government candidate, and L. St. George Stubbs, the Liberal candidate against himself, and did so, also, at Foxwarren on the 30th. He was at Portage la Prairie on Dec. 1st, and spoke for Harry Leader, who was destined to defeat the Prime Minister. He was at Binscarth on the 2nd and Minnedosa on the 3rd. At Portage he had dealt with the Elevator overage question, and said that he had urged in the House of Commons that the Government should take all the overages on condition that it guaranteed the elevators against shortages: "When it comes to overages," he added, "there is no bigger sinner in the whole category than the Canadian Government Elevator, because there is no single Elevator that had bigger overages in proportion to the quantity of grain handled during the past few years." As to this the *Grain Growers Guide* of Nov. 23 had given the following figures for 1916-17:

Elevator	Percentage Profit	Revenue from Overages
Consolidated	30·44	$77,360
C.P.R.	16·68	50,320
Eastern Terminal	7·08	33,755
Empire and Thunder Bay	43·54	309,643
Fort William	50·65	281,861
United Grain Growers	23·25	156,901
Ogilvie's	12·76	16,653
Western Terminal	27·76	94,590
Canadian Government	36·72	332,187
Port Arthur	29·00	388,057
Grand Trunk	27·93	305,882

The Issues in Quebec: Sir Lomer Gouin and the Liberals.

The leaders of the Liberal party in Quebec during the Elections were Hon. R. Lemieux and Ernest Lapointe, with Hon. W. G. Mitchell, K.C., leaving the Provincial Treasurership and Legislature to take high place in the Party counsels; the entry of Sir Lomer Gouin into Federal politics made him a National figure, almost at once, as a result of his 15 years of skilled and successful leadership in Provincial affairs. The Government party, though putting up a gallant fight with its new French Ministers—Hon. L. de G. Belley, Hon. R. Monty, K.C., Hon. L. P. Normand, M.D., and Hon. André Fauteaux, K.C.—was from the first almost negligible in the contest, though the running of a candidate in every constituency (even if many called themselves Independents) was, in itself, a feat, while the leanings of Quebec toward Protection did give hopes of a measure of success. The Nationalists effaced themselves at the polls with the exception of the irrepressible Armand Lavergne, an occasional speech from Henri Bourassa, and the ever-present antagonism of *Le Devoir* to all policies which even, indirectly, touched Empire or British interests; the United Farmers ran a number of candidates, but were not hopeful of the result. When Mr. Lavergne was asked by a Toronto *Globe* representative (Sept. 14) as to what chance of success there was for Conservative or straight Farmer candidates in three-cornered contests, he said that nobody but a Liberal could hope to capture a seat, even in the case of a five-cornered contest!

The key-note to the Liberal campaign in Quebec was given at a banquet to the Hon. Rodolphe Lemieux, K.C., at Montreal on Sept. 22, with Sir Lomer Gouin in the chair, and Hon. Mackenzie King as the chief speaker, together with the Provincial Premier, Hon. L. A. Taschereau, Ernest Lapointe, Hon. Charles Murphy, and Hon. Jacques Bureau. The speech of Sir Lomer Gouin was short, but explicit. After a tribute to Mr. Lemieux, he referred to the general unrest, the unemployment, the financial difficulties, the decline in trade, the closing of United States markets, the chaotic condition of governments and parties. The state of things in 1896 was described as similar; the result of the people in trusting Laurier and the Liberals, then, would be duplicated in 1921: "We have to pay our Debt, give work to our workers, encourage our cultivators, and find them markets for their products, bring back prosperity in our industries and our commerce, and reduce, if possible, the burden of taxes weighing on the shoulders of the citizens. We must, and this is a question of salvation or of catastrophe, diminish our expenditure. The problem of the National Railways must be settled without delay, so as to make the disastrous deficits they give us and which we have to pay each year, disappear. We must also develop our country by increasing our population in a carefully chosen immigration. As for the Tariff, we will

have, whether it is called a revenue tariff or any other, the tariff of Laurier."

Mr. Lemieux spoke at some length and with characteristic eloquence. One of his first detailed references was to the Foreign policy of the Borden and Meighen Governments: "The Dominions enjoy, in the Empire, an autonomy dearly bought, and every interference in the foreign policy of the British Empire leads us towards Imperialism. The present generation will have passed, another will come in its place, and it is neither in the armed camps of Europe nor on the plains of Asia that our descendants will find the solution of the multiple problems of Canada. It is here, in Canada, not in any distant adventures, that our destiny is fixed." A voice in the "orientation of British policy" was not required; our voice was in the councils at Ottawa, not in London; this was the course of Macdonald, Tupper, and Laurier. Financial conditions were dealt with at length, and then Mr. Lemieux referred to the Railway situation: "I have already, on several occasions, expressed my opinion on the Railway question. It was a fatal error for Canada, after the experience of Great Britain, France, the United States, to assume the proprietorship of the Canadian Northern and the Grand Trunk. x x x My personal opinion is that only one solution has been proposed, and that is the one given by the most competent man on this continent, Lord Shaughnessy. I prefer a monopoly to bankruptcy."

Regarding the Tariff he was equally clear: "There can be no dogma in economic matters. As a pure, abstract theory, Free trade is the ideal. But the industries necessary to a young country like ours cannot live on ideals. It is surely not at the moment when the American Congress is raising its tariff wall that Canada should demolish hers. In the order of things a revision of the tariff is necessary, but this is always a delicate operation. x x x We must harmonize and co-ordinate the interests of the West and of the East. Agriculture is the fundamental industry, but we have six months of winter and we don't sow wheat in the snow. Our manufactures are fed by Canadian capital and give work to thousands of men. Unless we are willing to be absorbed by America, we owe a reasonable measure of protection to our industries." Later in the speech he declared that: "My Liberalism calls for a tariff which protects the consumer indeed, but also our industries. These results are by no means incompatible, but may well be obtained by a tariff for revenue, such as was professed by Sir Wilfrid Laurier." Once more, also, he touched the Railway situation as "this mad adventure of State monopolies which will lead us to the abyss if we do not stop it." Mr. Lemieux concluded with an appeal to Sir Lomer to come and help; his alliance with Mackenzie King would be a gage of assured victory.

Mr. King followed, and dealt with conditions in 1896 and in 1921; referred to the note of racial conciliation sounded by Sir

W. Laurier, which was finding signal results to-day in South Africa as well as in Canada. He urged rigid economy as the policy of Canada and as more important at this juncture than even the Tariff; dealt with the Public Debt and the alleged arbitrary conduct and policy of the Government. As to Railways, he criticized the Government for transferring its powers to a group of Directors, taking away from Parliament control of Railway expenditures and refusing to Parliament information as to the management of the National Lines: "I am prepared to say in regard to the Railways, that I think we should give the project its fair trial, but no undertaking, whether it is public or private, which is carried out in that manner can receive the fair trial which it deserves." As to fiscal matters, the issue was between High Protection and a Revenue Tariff: "Mr. Meighen says the Tariff needs revision. We say the same thing. The only difference I can see is that were they to revise the Tariff it would be revised in the interests of combines, monopolies, trusts and mergers. If it is left to our revision it will be revised in the interest of the consumers and the producers." He concluded with a denunciation of Coalitions and class control. The other speeches were very brief, but those dealt with gave the bases for the Quebec campaign so far as official Liberal policy was concerned.

Sir Lomer Gouin's Campaign. Throughout the year Sir Lomer Gouin was an object of interested political discussion. His influence in Quebec was known to be great, his reputation for caution and political wisdom was high throughout Canada, his association with the greater financial interests of Montreal, since leaving Provincial politics, was well known. Only recently elected a Director of the Bank of Montreal and the Royal Trust Co.; elected, early in this year, with Lord Shaughnessy, Sir John Aird, E. L. Pease, and others, to the Canadian Advisory Board of the National City Company; appointed, in October, President of the newly-organized Title, Bond, Guarantee and Trust Corporation of Canada, Ltd.; already a Director of the Montreal City and District Bank and Mount Royal Assurance Co., his financial interests were as obvious as his political standing. During the first months of 1921 he was in France and Spain, with a few days spent in London; with his return and the rumours as to an Election, the question of his place in politics was much discussed. At a banquet given to him late in 1920, he had intimated a personal feeling of political responsibility and interest; at the Lemieux banquet the appeal was officially and publicly made; on Oct. 20 he accepted the nomination for the Laurier-Outremont division of Montreal; at the same time, the Montreal *Gazette* (Cons.) declared that he had "the respect, the confidence of all classes in Quebec," that he was "solid and steady and sane in matters political," and an avowed Protectionist, while behind him at Ottawa there would be a large Quebec

representation which would "enable him to command the situation."

In his nomination speech, Sir Lomer was explicit in his treatment of the situation: "I belong to no political combination. I am and I will remain in my party for the good of my country. And it is simply as a soldier in the Liberal army that I will do my share in this election." As to the Tariff question, he said that they knew his opinions: "I have expressed them in private and in public. I have said that the question of the tariff is not a question of party creed. I have said that I do not see the difference between a moderate protectionist and a moderate free trader, but I believe the tariff which gave fortune to this country and which needs no explanation, the tariff the Liberal party gave in the past and will give in the future, can be described in three words; it is the Tariff of Laurier." This, however, was not the only question. The Railway troubles were not created by the Laurier Government, as Mr. Meighen maintained; had immigration continued, had the World-War not come, had the Canadian Northern been restrained, there would be no Railway question; in any case, the Meighen Government could not deal with the issue. He was more pronounced in his view at a second meeting on Oct. 31:

> The Railway question is of paramount importance now. Unless it is settled, there will be a national tragedy. We cannot separate politics from National Railway administration. From the Commissioners down to the crews we see the effect of patronage. All, from President down to the driver and brakeman, must be friends of the Government. As long as we own railroads so long will politics play an important part in their management. In two years the employees of Government roads have increased from 43,000 to 55,000, and wages have increased 30 per cent. Our roads show immense deficits while privately-owned roads over the same territory can declare dividends. We have seen the disastrous experience of England, America and France, and so long as we run nationally-owned roads so long will our Debt increase. The problem must be settled, no matter who wins. If the Meighen policy continues we will certainly have a national disaster.

He once more declared that a revenue tariff was essential; that we could not prosper if the manufacturing establishments were to close just when America had shut off the market for our produce; that "we cannot forget our 600,000 industrial workers who, with their families, constitute a quarter of our whole population"; that "it would be in the interests of the country to have, as in the United States and in England, an expert Tariff Commission to study our tariff needs and instruct the Government on the requirements of the country." In another speech, on Nov. 2nd, Sir Lomer spoke in English to a large audience, and stated that the three problems that faced the country to-day were the Tariff, the National Debt and the Railway administration. As to the first, we must stop discussion and restore stability to the tariff: "The only way to create this condition is to establish a Board of Tariff Experts as in the United States, and this will study conditions and inform the legislators as to what is needed to give fair protection to manufacturer and consumer."

As to the National Debt, he spoke of its growth from $50 per capita in 1914 to $300, and even $500, if liabilities, Provincial and Municipal, were added: "We have now an annual expenditure of $600,000,000, with an annual deficit of $200,000,000. I do not see how we can carry any more. We must know how the Government intends to adjust our finances. It is with all these obligations that the Government has acquired the Railways at a cost of $2,000,000 per week. This is a problem that threatens to turn into a tragedy." In face of the example of Canadian Government railways which had not paid interest on their cost, and despite the recent experiences of the United States, "the Government has taken over 22,000 miles of road which show an annual deficit of more than $100,000,000. Who is to blame? Mr. Meighen says Laurier authorized the Grand Trunk Pacific and built the Transcontinental. We are not ashamed of these, but we answer that Laurier is not responsible for the Canadian Northern purchase, assessing us for more than $500,000,000; nor for $65,000,000 on account of the Intercolonial when that section between Ste. Rosalie and Lévis was double-tracked to ruin the Grand Trunk; nor can we lay the Grand Trunk expropriation to Laurier with its obligations of $265,000,000."

At Rigaud, on Nov. 13, Sir Lomer dealt with Mr. Meighen's criticism of his Railway utterances: "I have no interest in any Railway of this country. I am not acting on behalf of any particular interest. I have never done so, and I have no intention of starting that sort of career now." The administration of the National Railways was adding to the Debt of the country $100,000,000 a year, and the time had come to have a change. It was not a question of giving them to a Company or creating a monopoly, but it was time to put an end to a situation which was leading the Dominion to bankruptcy and ruin. The Liberal party would solve this problem as well as that of the Tariff. On the 15th, in Montreal, he spoke for Major H. M. Marler, who was running against Hon. C. C. Ballantyne, and dealt with these matters at length. He denounced Mr. Meighen and his friends for alleged ill-treatment of the Grand Trunk Railway: "For ten years the adversaries of Sir Wilfrid Laurier have laboured to undermine the credit and revenue of the Grand Trunk. After the Civil War the American Government made big advances to the Union Pacific, and within 50 years principal and interest were repaid. Why not have given the same confidence to the Grand Trunk?"

Mr. Marler—who was eventually elected—declared that Government ownership was invariably found connected with inefficient management, and hosts of inefficient employees to be kept by the taxpayers. He cited the Railway deficits as an example of this and referred to the Government Merchant Marine which had cost nearly 100 million dollars and had depreciated 50 per cent. in value. Sir Lomer was at Three Rivers on Nov. 20, and declared the Government's defeat "an absolute cer-

tainty"; he was again in Laurier-Outremont on Nov. 23, accompanied by Hon. W. G. Mitchell, and addressed a number of other meetings; on Dec. 1st, supported by Hon. Athanase David, Provincial Secretary, he again denounced the Railway policy of Mr. Meighen, and urged drastic economy as the one constructive essential. He referred to certain rumours as to removal of G. T. R. headquarters from Montreal: "If you vote for the Conservative party, you authorize the removal of all that Railway administration, the head offices, the works, and, with them, at least 50,000 of the population of the city."

As to the rest: "I want to go to Ottawa to make Quebec better known, better respected, better loved. I want all the sister Provinces of the Confederation to treat Quebec as nothing more or less than their equal" In St. Antoine division, Montreal, Sir Lomer (Dec. 3rd) lauded Mr. Mitchell, his late colleague, and candidate in that riding; he admitted opposition to State ownership of railways; he was not, however, prepared to say, now we owned them, that we should give away the property of the Government: "We are opposed to monopoly by private companies as well as by Governments and if one is dangerous the other may be more so." Mr. Mitchell stated that he was opposed to Public ownership and operation of railways, and always had been: "It is not possible for any Government to operate them without politics creeping in from top to bottom. It was a mistake in policy to take over the C.N.R. and worse when they added the G. T. R. The Government had received an offer by the Board of the G. T. R., through Sir Thomas White, for a working arrangement which would have saved the country the expense of buying the Railway, but the offer was not accepted: "My remedy may be drastic, but I can see no reason why you cannot deal with the Canadian Northern in the same way you deal with any business problem. If it was insolvent I would have appointed a receiver—and washed out the water in the corporation." As to the Government Steamship line, he would have done as Great Britain did and subsidized the ships as needed and left their operation to the owners.

The Liberals and Nationalists in Quebec. During this period Mr. Lemieux made a number of speeches—notably at Nicolet on Sept. 25, Lachine on Oct. 9, Maisonneuve on the 11th, Ste. Cesaire on the 16th. He and other Liberal speakers were essentially critical of the Government. Charges of betrayal of public confidence, robbing soldiers of their votes in a preceeding election, trying to establish divorce courts against the earnest conviction of Quebec Catholics, driving the Dominion into financial bankruptcy, placing Imperialism before Canadianism, inviting Annexation by extravagant policies, were amongst the many things alleged against the Meighen and Borden Governments. Conscription was frequently referred to and Agrarianism was defined as meaning nationalization of wheat, high wheat prices, Free trade, and direct taxation of land

values. At Lachine* Mr. Lemieux declared that the author of the Reciprocity Treaty of 1911 was not, as was generally thought, Sir Wilfrid Laurier. That pact was suggested to Sir Wilfrid by the Governor-General of the time, Earl Grey, who had discussed with President Taft the question of better commercial relations between the United States and Canada, and afterwards showed to Laurier and Fielding the chance they had of obtaining the privileges of Reciprocity. He stated, also, that Sir Robert Borden had offered Laurier the dominant place in a Coalition, on condition that he would agree to Conscription, but Sir Wilfrid had flatly refused.

At a Quebec City Liberal meeting on Nov. 11, there were many references to Conscription and denunciation of Mr. Meighen and the Borden Government in that connection. C. G. Power, the candidate, declared himself opposed to the nationalization of Railways. At Sherbrooke, on the 23rd, Hon. H. S. Béland spoke at length on the extravagance of the Government, and much was made of the advances to Roumania and Greece. Another point was as follows: "When the War ended, $100,000,000 was voted for the demobilization of the army, and we were told it would all be done in one year. The second year the Government asked for another $75,000,000 for the same purpose, and last Session, 2½ years after war was ended, they asked for and got another $35,000,000—all for demobilization, when there was not a single soldier in England, France, or Canada that had not been demobilized." Mr. Mackenzie King also spoke briefly, and urged an audit of the country's Assets and Liabilities.

H. M. Marler, the opponent of Mr. Ballantyne in Montreal, denounced that Minister's Naval and Marine policy at a meeting on Nov. 10, and S. W. Jacobs, K.C., dealt at length with the alleged anti-French and anti-Catholic record of Hon. J. W. Edwards. At Farnham, Que., on Nov. 10, Hon. Mr. Lemieux delivered a notable tribute to Great Britain: "After studying the magnificent history of Great Britain and the development of the British Empire, its constitution and the *regime* of liberty always preached within the walls of Westminster, I have the greatest esteem and honour for the people of England. I have been twice round the world, and everywhere the flag of Great Britain stood for liberty and tolerance." His first allegiance, however, was to Canada. As to the War, he was explicit: "From the first moment, with Sir Wilfrid, I said the duty of Canada, the duty of every man with a heart, was to support England and France in the struggle against Germany." Conscription was the fairest system, but in Canada it was not necessary; the Government had not tried to get French-Canadians, voluntarily, and did not want them.

The Nationalists, as such, had no part in the campaign. Henri Bourassa told a great gathering in Montreal, on Oct. 19,

*Note.—Report in Montreal *Star*, Oct. 10, 1921.

that his health did not permit of being a candidate, but that he and *Le Devoir* would support any Independents who might stand. All three existing political parties were, he declared, unsatisfactory, and the Liberal and Conservative parties were denounced as being jointly responsible for all the great troubles with which the Dominion was faced at the present moment. He made a proposal for the Railways based on the French system: "Possession by the State of the landed property of the railway companies and the leasing of the different Lines to the Companies, on conditions which would offer sufficient attraction in the way of security of capital and yet reserve to the State the right of taking possession of the whole in case of war or national crisis." There were varied denunciations of the Empire. The situation in India was described as lying between "the partisans of Indian autonomy and the profiteers of the Imperial domination"; Egypt and Ireland, under British rule, were compared to Belgium under Germany, and to the Poles, the Alsacians and other "victims of German barbarity." The following alleged French comment upon the British at Mons was quoted: "The English got driven back at Mons, you know, but now our men are standing round them and they are fighting all right!"

Here and there Mr. Bourassa spoke during the Election, but not very often; *Le Devoir*, however, kept him well in front as a stinging critic of both the old parties; to Mr. Meighen and Sir Lomer Gouin he was most keenly opposed. On Oct. 19 he swung away from the Independent candidate idea and proclaimed the Farmers' party as, upon the whole, offering the best policy for the electors' approval. Armand Lavergne, as Mr. Bourassa's chief lieutenant, was a candidate in Quebec County, and made a number of speeches attacking both parties—though he still called himself a Liberal. He maintained vigorously his anti-Empire policy, and at Charlesbourg (Nov. 6) said: "I am fighting to-day, as I did in the past, for non-participation in the wars of the Empire." The Liberals and Conservatives had called upon Canadians to fight for civilization and the freedom of small nations, but these were "lying appeals in the face of suffering Ireland crushed under the iron heel of England." He was in favour of Railway nationalization.

Mr. Meighen and the Government Campaign in Quebec. Meanwhile, the Quebec campaign of the Government assumed two aspects. The one was the Government's effort to maintain its candidates or Independent *camouflages* against the overwhelming Liberal strength; the other was an increasing difficulty in holding its own amongst the English-speaking element. In Montreal the English press was more than lukewarm; as the Election developed, the failure of the Montreal *Gazette*, a staunch Conservative organ, and of the Montreal *Star*, to support the Government, were significant indications of strong discontent; the financial interests were, obviously, hostile or absolutely irresponsive; Mr. Ballantyne and others found the Railway

policy of the Government a serious handicap. Amongst the French-Canadian candidates, L. J. Gauthier, at St. Hyacinthe, put up a vigorous fight for the Government; Dr. L. P. Normand gave a number of addresses and was of undoubted service to his party, though fighting an up-hill battle in Three Rivers against the popular Jacques Bureau. The other Quebec Ministers did not have even a chance of election.

Mr. Meighen came to Montreal on Nov. 4, and in an able address did his best to meet a difficult situation. In dealing with charges that he had sacrificed Canadian autonomy and interests at the Imperial Conference, he said: "It would be well that matters which appertain to our relations with the world and the Empire should be treated by Canadians as a whole nation, and should not be made the subject of divisions. Such was the desire of my heart as I strove to serve Canada at that Conference. At that Conference this country was committed to nothing, whatever, beyond what it has always stood committed to, nor was there anything said or done which went a hair's breadth beyond the pale of what I said to Parliament." He refused to make the details subject to party debate. As to the Railway situation, it was one of taking over the Canadian Northern or allowing it to go into liquidation, and Sir W. Laurier had strenuously opposed the latter; had liquidation occurred the C. P. R. would have probably acquired the Railway. As to the Grand Trunk and G. T. P., conditions of acquisition had been forced upon the Government, and Public Ownership, eventually, would succeed "better than some people desired."

As to Sir Lomer Gouin's statement about the partisan appointment of Directors, he read a List of legal firms retained by the National Railways and including Sir Lomer's own firm and that of Mr. Premier Taschereau. In general matters he declared that the Liberals were adjusting their platform to each constituency: "Protection for fruit in British Columbia, Free trade in the three Prairie Provinces, higher tariff on implements of production in certain sections of Ontario, lower tariff on implements of production in others, anti-conscription in Quebec, and humbug in the Maritime Provinces." A series of speeches in the Eastern Townships followed. In the financial and railway situation at Montreal, there were some striking incidents. C. H. Cahan, K.C., a veteran Conservative, one-time Leader in Nova Scotia, and now a representative financier of Montreal, in declining to oppose Mr. Fielding at Halifax, declared in his letter that "later on, the financial and economic problems, which so sorely beset us, will undoubtedly necessitate entirely new political alignments; thoughtful and experienced minds of both the old political parties must break from former party affiliations and co-operate to preserve the solvency of the country."

The utterances of Sir Lomer Gouin, Mr. Mitchell and Mr. Lemieux were taken in the other Provinces to mean a serious

movement against the National Railways; there could be little doubt that the more or less guarded comments of these leaders did represent a volume of influential opinion. So much was this realized that the Toronto *Globe*, on Sept. 10, Oct. 5, Oct. 18, and other dates, had strong editorials declaring that no change in Railway policy and ownership would be admissible; Mr. Mackenzie King, at St. John, on Oct. 15, stated that Mr. Lemieux was speaking, in this respect, for himself; the Toronto *Star* published, on Dec. 2nd and other dates, a large number of telegrams from Liberal candidates in Ontario declaring themselves emphatically in favour of continued public ownership and operation of the National Railways, with the pledge that, if elected, they would resist any move to surrender control or sell out to any private interest. On Nov. 26 C. G. MacNeil, Secretary of the G. W. V. A., wired to all the Party leaders, Mr. Beatty of the C. P. R., and the President of the Bank of Montreal, a charge of conspiracy, under Sir Lomer Gouin's leadership, to destroy the National ownership of railways; it evoked vigorous denials, except in the case of the Prime Minister who, in his reply (Nov. 27), declared that there was "ample evidence that Sir Lomer Gouin and leading Quebec Liberals are determined on transfer of, or disintegration of, the present National Railway System."

Following this incident, the Montreal *Star* became actively hostile to the Government, and, in the last days of the campaign, had a series of editorials and articles claiming that plans were under way by the Board operating Government-owned Railways to remove from Montreal a large number of Grand Trunk officials—if not the whole System headquarters. On Dec. 2nd it declared that private proofs were available and would be submitted confidentially to the Prime Minister. Mr. Meighen responded (Dec. 4) with a demand for publication of any such alleged documents. On Dec. 9 *The Star* published a letter from Sir J. W. Flavelle, dated the 6th, and declaring that: "No one has at any time suggested that I should seek to move any activity of the Grand Trunk from Montreal to Toronto. I have not suggested such a course to myself or to others. There is not even a colour of accuracy in the statements made upon this subject in your several issues or in the deductions drawn from them by various political speakers." There followed a review of the inevitable conditions accompanying re-organization of several great Railway staffs and the retirements, changes, and re-arrangements which must ensue. In comparison with the difficulties of this task, he added, the question of "whether the ultimate head office is in Toronto or Montreal or elsewhere, is a matter of secondary importance."

The chief document referred to by *The Star*, as afterwards appeared, was a letter from Sir Joseph to the President of the G. T. R., which dealt with the coming retirement of some of the older officials of the Railway. Meantime, on Dec. 9, Mr. Meighen had wired that he would be in Montreal on the 10th,

and requested production of the proofs involved; eventually, with Sir Joseph Flavelle and Hon. J. A. Stewart, he met Lord Atholstan and A. R. Carman, Chief Editor, at the office of President Kelley, of the G. T. R., and read the correspondence which, finally, was published in *The Star* of the 14th. It turned upon Sir Joseph Flavelle's policy and intention to re-organize the higher Staff of the Grand Trunk. Mr. Meighen at once claimed that there was no adequate proof of *The Star's* charges, and in this he was supported by *The Gazette*. On Dec. 5 the Premier issued a special Message to Quebec, through *La Presse*, one of the Liberal organs, and dealing with the general situation:

> In the course of the campaign that is now terminating, the Government has informed the nation as to its policies and the acts of its Administration. We have simply made an appeal to reason. Our policy is, I believe, clear: We desire that Canada may remain a self-governing country within the Empire; we desire equality and justice for all classes, all Provinces, all races, all beliefs; we desire the unity of Canada, the development of strong and virile Canadianism, which shall oppose the tendency to separation in groups, to disunion, to domination by a single class; in short, we desire the maintenance of our traditional fiscal policy, the continuation of an economic doctrine which has made the prosperity of Quebec and the rest of Canada. x x x If the Government is defeated on Dec. 6, who will succeed it? None of the parties which now fight against it can govern alone. A combination of groups hostile one to another, united only by the thirst for power and preparing an era of uncertainty and difficulty, will be the sole result of a Ministerial defeat.

Incidents of the Campaign: The Munition, Ford and Riordon Questions.

Incidents on the Government side of a contest which was, perhaps, the longest in Canadian history, included the declaration of Thomas Findley, President of the Massey-Harris Co., Ltd. (Sept. 7) that Free trade in Implements meant the inevitable shifting of the manufacture of Western Canadian implements from Ontario and Quebec to the Western Middle States; the retirement of Rt. Hon. C. J. Doherty in St. Ann's, Montreal, after 13 years' representation, with a message from Geneva (Sept. 30), expressing his great regret; an advertisement, which was lavishly published in the Canadian press, describing Canada's difficulties, duties, responsibilities and dangers, and declaring that "Meighen will lead us Through"; the publication of a daily Bulletin, issued for some time from the headquarters of the National Liberal and Conservative Party at Ottawa, which reviewed political issues and advocated Conservative principles; the published analysis of Mr. Crerar's platform prepared and issued by Hon. J. A. Calder (Regina *Leader*, Oct. 22), which declared that his Manifesto was a "clever compilation of high-sounding words and phrases, sermonettes from the mount, visionary imaginings and academic theorizing that will never fool the nation as a whole."

The Hon. R. B. Bennett replied to the Progressive and Liberal charge as to Government and Tariff promotion of mergers and combines, by the allegation, at Newmarket, on Nov. 11, that

Mr. Crerar was President of the biggest business in Canada—excepting Banks and Railways, that his Companies were "middlemen living upon the toil of the farmer and producing nothing but dividends," and that the Liberal leader was in the hands of certain "Big Interests" of the United States, notably the Bethlehem Steel, Bethlehem Shipbuilding Co., the Northwest Sugar Co., the General Electric Co., and others. The Premier,* in replying to the question of the Social Service Council of Canada as to his attitude toward legalized race-track gambling, stated that: "It is my opinion that public opinion, and any Parliament elected as representative of that opinion, will insist on a fair trial of existing restrictions before they will accept further radical legislation. x x x Parliaments, having regard to recent experiences, are somewhat distrustful of the fidelity with which the public generally, who insist on advanced legislation of this nature, will afterward support those who make themselves the authors."

The Government literature of this year included an appeal for the support of the Ukrainians (Ruthenians) of the West on the ground that in the League of Nations proceedings Mr. Doherty, for Canada, had supported the position of Eastern Galicia as against Poland, which considered it, historically, to be a part of that country, and permitted an effort to float a Gallician loan of $1,000,000 amongst the Ruthenians of Canada. Sir George Foster and Sir Thomas White took little part in the campaign—the former speaking at Halifax on Nov. 11 and the latter at Gananoque on the same date, at Woodstock on the 24th, and at Montreal on Dec. 3rd. It may be added that the Government party, in addition to varied references to the Protectionism of Quebec Liberals, claimed that F. F. Pardee, Hon. G. P. Graham, G. N. Gordon, W. D. Euler, W. G. Raymond and D. D. Mackenzie were outspoken along that line, and that in Nova Scotia Mr. Fielding, H. J. Logan, K.C., and E. M. Macdonald stood for a duty on coal in the interests of Nova Scotia mining.

Liberal incidents of the period included the nomination of Hon. W. R. Motherwell, so long Minister of Agriculture in the Saskatchewan Government, and founder of the Provincial Grain Growers' Association, as the party candidate in Regina, with the support of Mr. Premier Martin and of Hon. C. A. Dunning, a member of the Martin Government, and, also, a leader in the Farmers' movement; the support of the Liberal cause by the Foster Government in New Brunswick and by those of Mr. Murray in Nova Scotia and Mr. Bell in P. E. Island, together with that of Mr. Taschereau in Quebec and Mr. Oliver in British Columbia; the refusal of Hon. William Pugsley, Lieut.-Governor of New Brunswick, and for long Minister of Public Works in Sir W. Laurier's Government, to accept the Liberal nomination in St. John; the declaration by Alex. Smith, K.C., an Ottawa Liberal and formerly party organizer (Oct. 27) that the Initiative,

*Note.—Toronto *Globe*, Nov. 11, 1921.

Referendum, and Recall of the Progressive platform was an unconstitutional and illegal restriction upon Parliamentary procedure, and based upon an American system of government quite different in form and practice to that of Canada.

Other matters were the candidacy of Dr. Michael Clark as a Liberal in the West, following upon his break with Mr. Crerar, and his continued denunciation of the Progressives as a class movement and, therefore, as a danger to the country—notably in an address at Yorkton, on Nov. 1st; the choice of A. B. Hudson, K.C., lately a member of the Liberal Government in Manitoba, as the party candidate in Winnipeg, with the general assumption that in case of Liberal success he would be a member of the new Government; the claim made by J. H. Sinclair, ex-M.P., of New Glasgow, that, according to the Auditor-General's Report for 1919 vouchers for pay and other expenses of the C. E. F., totalling $121,640,016, had been received very late and in immense quantities, but had never been examined, and that, he believed, there were fraudulent paymasters in the case with much money lost; the vigorous effort made by Maj.-Gen. Robert Rennie, C.B., C.M.G., D.S.O., M.V.O., to defeat T. L. Church in North Toronto; the attack by Hon. W. M. Martin at Regina (Dec 1st) upon the "Recall" policy of the Progressives as unconstitutional, his declaration that the Liberal and Progressive tariff planks were much the same, his general and severe criticism of the Progressive party—as working along class lines—under the leadership of H. W. Wood and J. J. Morrison in particular; the speeches of H. H. Dewart, K.C., Liberal leader in Ontario, on behalf of the Federal party, and his denunciations of the Drury Government and Farmers' party.

Progressive incidents included the vigorous support given by Hon. E. C. Drury, Premier of Ontario, to Mr. Crerar and the Progressive cause, with speeches at Brampton, on Oct. 17, at Picton on Nov. 8, and at Cobourg in the evening, at Oshawa, on the 10th, and at Toronto on the 11th, at Milton and Barrie on the 15th, at Owen Sound on Nov. 21 and at Ottawa on the 29th, at Simcoe on Dec. 2nd; the help, also, given by Hon. Manning Doherty and Hon. W. E. Raney of the same Government, by speeches at different Ontario points; the issue of an interesting volume in the midst of the campaign by William Irvine, Progressive candidate in Calgary, dealing with *The Farmer in Politics* and emphasizing the H. W. Wood view of the problem; the platform of the candidate in West Calgary, J. T. Shaw, which included Proportional Representation, total abolition of the Senate, and the declaration that a Government should not be required to resign upon one of its measures being defeated unless there was a direct vote of want of confidence; the candidacy of R. W. E. Burnaby in North York, despite alleged pressure to retire and make the Liberal leader's chance better, with a local controversy as to this which developed later.

There was, also, the claim by W. H. Casselman, M.L.A., in the *Farmers' Sun* of Nov. 12—based upon an elaborate table of

statistics—that "Agriculture represents more than ⅓ the capital wealth of the country, that it furnishes more than ½ the total exports, and that less than ⅗ of the products of the farm is marketted in the home market while more than ⅗ is marketted in the open markets of the world and that manufacturing represents about ⅙ the capital wealth of the country, that it furnishes less than ⅓ the exports, while 85 per cent. of its output is marketted in the protected home market, chiefly among the farmers." Other incidents included the refusal (Sept. 9) of the Progressive party in Saskatchewan, after long negotiations, to combine in any organized form with the Liberals, in order to fight the Meighen Government; the support given by Hon. George Langley, in Saskatchewan, to the Progressives along lines based upon (1) a radical re-adjustment of fiscal policy, (2) an entire elimination of wasteful expenditures, (3) the maintenance of public ownership of railways, removal of political influence from their management and adjustment of freight rates with (4) a system of Government grain marketting; the reply of the *Grain Growers' Guide* (Oct. 12) to the charge that only 16,652 farmers paid any Income tax, and then only $611,735, in 1920-21, with the statement that "the fiscal policy of the country takes so much out of the farmer, indirectly, that he has nothing left wherewith to pay directly."

There was an urgent call by J. B. Musselman, Secretary of the Saskatchewan Grain Growers, through a special circular, to support Progressive candidates in that Province; the continued Ontario claim to farmers that the decrease of agricultural population was caused by the Tariff and illustrated by the decline, between 1911 and 1921, of 13·10 per cent. in Dufferin, 14·22 per cent. in Southeast Grey, 14·12 per cent. in North Huron, 10·70 per cent. in East Lambton, and 11·11 per cent. in Wellington North; the effort made by E. A. Partridge of Sintaluta, in October, to get the three Party leaders to agree to the immediate re-establishment of the Wheat Board by Order-in-Council and so give "the earliest possible relief to the Western farmers"; the demand of the *Farmers' Sun* (Nov. 19) that the Senate be abolished as "a block on the wheels of progress"; the statement by the Winnipeg *Free Press*—which during the Elections gave an indirect support to the Progressives—that the Enlistments in the War, according to population, stood greatly to the credit of the West and the agricultural class—14·5 per cent. in Manitoba, 12·05 per cent. in Alberta, 7·6 per cent. in Saskatchewan, and 13·1 per cent. in British Columbia, compared with 9·7 per cent. in Ontario, 4·09 per cent. in Quebec, 7·3 per cent. in New Brunswick, 5·7 per cent, in Nova Scotia and P. E. Island. The *Farmers' Sun* declared (Nov. 30) on the eve of the Election, that if the New National Policy won: "The protective tariff will be lowered, the manufacturers will be forced to reduce prices, and the cost of living will go down; all claims for Protection will be heard publicly before a Parliamentary Commit-

tee; all protected industries will be obliged to publish annually a statement of their earnings; the duties on British imports will be lowered; immediate steps will be taken to open Reciprocity negotiations with the U. S. Government for the free exchange of natural products."

Mr. Mackenzie King and the Munitions Question. This was a minor issue interjected into the contest by the Opposition leader, but it caused considerable discussion. Writing to the Prime Minister on Oct. 21, Hon. Mackenzie King, in an open letter, stated that in passing, recently, through Lévis he had visited a ship of the Government Merchantile Marine which was docked at the wharf: "To my surprise I found that the ship's cargo was composed, apparently exclusively, of munitions of war, in the nature of high explosive shells. From 30 to 40 soldiers in uniform were engaged in unloading the vessel. On the landing and embankment, over an area comprising several hundred square yards, boxes upon boxes, filled, apparently, with these high explosive shells, were piled one upon the other to an average height of about four feet." There were many more boxes upon a siding: "On enquiry, I was told that the munitions had come to Canada from England; that they were being distributed to ordnance stores throughout Canada, not to ocean ports such as Esquimalt and Halifax only, but to supply depôts and stores in all the Provinces—including the city of Quebec itself." Mr. King added that he was also informed that this was the fifth vessel of the Government fleet to come from England laden with high explosives of the character described, and whose cargoes had been unloaded at, and distributed from, the port of Lévis, during a recent period. As Parliament was not sitting, he submitted the following questions to the Prime Minister:

1. Am I right in believing that it is at the instance of the Government of Canada that the C. G. M. Marine has been employed to bring. to Canada the munitions of war being unloaded at Lèvis this week, and that they are being bought and paid for in England out of the moneys contributed through taxation by the people of Canada?
2. Is the British Government in any way a party to the shipment of these munitions, and does the shipment owe its origin directly or indirectly to action taken by the Conference of Premiers recently attended by you in London?
3. To what points in Canada or elsewhere are the said munitions being distributed, and to what uses is it intended they shall be put?
4. Is it true that other ship-loads of munitions have been brought to Canada from England or abroad during the present year; and, if so, in what quantities?
5. Finally, if these munitions are for the Government of Canada, on what authority of Parliament and under what appropriation have these or any other munitions been purchased outside of Canada during the present year?

Mr. King quoted from the Public Accounts and Militia Report to show that in 1919-20 $4,563,176 had been expended on ammunition "from various sources" and charged to "Demobili-

zation appropriations"; he wanted to know what other similar charges might have been made against other large sums voted under that heading. Mr. Guthrie, Minister of Militia, was at once interviewed, and told the press, on Oct. 22, that: "No munitions have been purchased since the War, except a few spare parts to put in shape such material as we have in Canada. At the end of the War the British Government handed over to Canada a tremendous amount of equipment to replace the equipment which Canada had taken over to England and France during the War. It has been coming to Canada from time to time since. The House of Commons was informed last Session and the Session before that, that the British Government was sending this equipment." The Toronto *Globe* commented (Oct. 24) upon these "amazing revelations," and asked: "What answer can Sir Robert Borden make when the representatives of the United States ask why high explosives by the shipload are coming to Canada three years after the close of the Great War, and at a time when a representative of the Canadian people is asking the nations to disarm?" Mr. Meighen's reply, to a letter published before he received it, was written from Bracebridge, on Oct. 25, and gave a series of categorical answers to the queries presented. A brief summary of the essential points follows:

1. No war material of any kind has been purchased since the Armistice. On the outbreak of war all available war material was shipped to England and handed over to the War Office, Canada receiving a credit of war material equivalent to the amount turned in, upon which she could draw for the use of her forces as required. x x x After the Armistice, by agreement with the War Office, practically all Canadian-owned war material overseas was turned into British army ordnance depôts; Canada being given a credit of war material free of cost upon such depôts, and the right to draw her own proportion to meet requirements of her Active Militia. In the Spring of 1920, Canada's requirements were forwarded to the War Office, and since that time, as cargo space became available on ships of the Government's Marine, shipments which were Canada's own property, were made to Canada.
2. The meeting of the Prime Ministers in June last had nothing whatever to do with the arrangements or the shipments. The war material is consigned where accommodation can be made available in the various Military Districts in Canada, and is to be entirely used for the training of the Artillery.
3. Several partial cargoes were received early in the present year, and the bulk of these is being used for annual training. Since Parliament prorogued in June last, 2,355 tons of war material have arrived in Canada.
4. The amounts disclosed in the Public Accounts of 1919-1920 as having been paid out of Demobilization appropriation for war material were paid for such material purchased during the War, and for some of which accounts were not received till after the Armistice.

Mr. King referred, frequently, to this subject in his campaign speeches in order to point a charge of Militarism against the Government. As he put it at Orono, on Oct. 26, so it was said at other meetings: "Talk about disarmament! The Government has adopted the very reverse. They are bringing

in war materials to an extent we have never known before, and to an extent greater than it is possible to use. Wherever available accommodation can be found they are putting these high explosives. Every bit of them comes out of the credit which is Overseas in England, and that credit was made up of money loaned by the people of Canada for the purpose of winning the War." From Sutton, on Oct. 27, he wrote Mr. Guthrie asking for the following particulars: "(1) The extent of Canadian credits with the War Office; (2) the extent and nature of war material which has been drawn by the Canadian Department of Militia; (3) the nature and extent of the credit upon which Canada is still entitled to draw; (4) particulars as to aeroplanes and other war equipment which have been received from Great Britain as gifts since the Armistice."

The Minister's reply was made public on Nov. 1st. He repeated the Prime Minister's explanation as to no purchases of ammunition since the Armistice; stated that small arms ammunition had since then been made at the Quebec and Lindsay Arsenals; pointed out that the "credit" referred to in this connection was a munitions credit and not a financial one; referred to the final settlement in July, 1920, when the British Government gave a credit of $3,000,000 for the surplus war material belonging to Canada after all the supplies required were deducted. The facts as to Aeroplanes, etc., were given in detail. At Orono, on the 27th, Mr. King asked why, in view of these statements, were large sums of money voted in 1920 and 1921 for the manufacture of munitions at Lindsay and Quebec, and why was nothing said at that time about a credit on which Canada could draw for stores or munitions Overseas? He contended that: "Enough has been disclosed to show that Parliament and the people have been deliberately deceived by the Government with respect to vast expenditures of public monies on ammunition and war-like stores."

The Ford Motor Car and the Tariff. At Winchester, on Nov. 18, Hon. W. E. Raney, K.C., Attorney-General of Ontario, gave an address, confined almost entirely to this subject, and which—owing to its wide circulation and the fact of being utilized and endorsed, as a contention, by both Progressives and Liberals—had a certain obvious influence in the campaign. After dealing briefly with the National Debt, the Railway deficits and unemployment, Mr. Raney turned to the Tariff as "not the only issue, but an important one." He then passed from generalities and gave a concrete case with alleged Tariff cause and effect: "Take for instance, Automobiles. The tariff on automobiles of all grades is 35 per cent. In other words, the Ontario man who buys a Detroit car that is listed f.o.b. in that city at the equivalent of $1,000 Canadian currency, pays a customs duty of $350 which goes into the revenues of Canada. But 35 per cent. customs duty is a strong inducement to the Detroit manufacturer to establish a branch in Canada. When

that is done the tariff ceases to be for revenue and becomes a tariff for protection and the U. S. manufacturer, with a branch in Canada, is able to add to his profit on his Canadian sales a sum approaching or perhaps quite equalling the Canadian duty." The contention was illustrated* as follows:

1. I find that the present price of the Ford sedan car made at Ford City, Ontario, is $1,014.50 *plus* freight from Ford City. I find that the American Ford sedan car can be had for $1,014.50 *plus* freight from Detroit City—a distance of three or four miles more; omitting the Canadian customs duty, the Ontario purchaser could buy the Detroit-made car for $263 less than the car made in Canada.

2. I refer to the Canadian Ford five-passenger touring car. The price of this car without starter, made at Ford City, Ontario, is $578.98. But the Michigan man can buy the corresponding car at Henry Ford's Detroit factory across the river for $355 *plus* a 5 per cent. U. S. war tax. And, but for the Canadian customs duty of 35 per cent. you could buy that car for $404 in Canadian money, including the Dominion of Canada sales tax of 4 per cent. In other words, the Canadian Ford touring car costs the Ontario purchaser $175 more than the corresponding Detroit car would cost him but for the Canadian customs duty.

Other illustrations were given making the same point—that the Canadian maker of these cars, with costs much the same as in Detroit, added the duty, or most of it, to the price of his cars without having to pay it himself and without any benefit to the country's revenue. Mr. Raney proceeded to show the alleged business profits of the Ford Motor Co. of Canada since beginning operations at Ford, Ont., in 1904. Exclusive of tractors, he stated the output at 329,001 with a present product of 40,000 to 50,000 a year; the original investment in 1904 was $125,000 and, the speaker asserted, the only one, outside of profits, in the business. It had returned in 1905-1921 cash dividends of $7,900,000 and $6,875,000 stock dividends to the shareholders; the profits of 1920 were stated at $5,696,061, and the dividends $1,050,000, and for 1921 (year of July 31) the figures were, respectively, $2,368,407 and $2,100,000.

Mr. Raney then painted this picture: "The dividend paid in 1915 was on the basis of 880 per cent. on the capital investment; that paid in 1919 was 1,960 per cent. on the capital investment; that paid last year was 840 per cent. on the capital investment, and that declared for 1921 was 1,680 per cent. on the capital investment." He then dealt with the capital which, of course, now included $6,875,000 of bonus stock added to the original $125,000, and stated that there had been a considerable number of sales of this stock during the past two years at prices ranging from $300 to $380 per share; that on 87 transactions during that time the average price was $326; that on this basis the actual value of the present Assets of the Company would be $22,820,000. As a matter of fact, the annual Statement was quoted as showing Assets of nearly $19,000,000—$3,447,951 in cash, $3,378,115 in Government bonds, and the balance in land, buildings and plant. Based upon these statements, Mr. Raney

*Note.—Verbatim report in Toronto *Star* of Nov. 19, 1921.

proceeded to denounce, with vigour, the Government and the Tariff as helping Big business at the expense of the people; as to the future there would be "a revenue tariff with incidental protection."

The annual dividend of the Ford Company of Canada, referred to above, was declared at a meeting on June 7, with a 15 per cent. distribution—similar to 1920; at the same time a new price schedule cut $65 from the selling price of touring cars and roadsters, and $110 from the price of coupés and sedans. Following the speech, it was officially stated at Ford, Ont., that Henry Ford* owned only 18 per cent. in the stock of the Canadian Company; that there were 1,200 stockholders, mostly Canadians, and that the Company had the exclusive manufacturing and selling rights for Ford cars in Canada, so that the Tariff was really no protection; that the Company employed 4,155 persons, and in 10 years had paid $26,915,469 in wages and $9,000,000 in taxes. It was added that one-third of the business was export.

A. E. Fripp, K.C., (Cons.) in Ottawa, on Nov. 25, undertook to reply to Mr. Raney, and stated the above facts as to the Ford business. He declared that there were 55,000 Ford cars made in Canada, while 1,000,000 were made in Detroit, and that this was one of the reasons why Canadians had to pay more for the car than Americans; in addition, the customs duty on raw materials and semi-finished parts, imported by the Company last year, had amounted to $2,525,000, and was another reason why the Canadian price was higher than the American; in 10 years the Company had paid many millions to the Dominion treasury in duties. Under reduced duties Canadians would, he thought, buy American cars and ruin their Automobile industry. It, also, was contended that much of the difference in price between Ford and Detroit was accounted for by items of exchange, as well as by the duty on finished parts imported, and by special and more expensive features in the Canadian car.

The Riordon Taxes and Government Action. Under ordinary circumstances this issue would have had no serious importance; as part of a combined effort by two well organized political parties to prove the Government and its fiscal policy to be behind what were called the "Big interests," it had, undoubtedly, some weight. The Riordons, as a Company, had been much before the public; their huge merger and re-organization of 1920 was a spectacular incident; the pulp and paper profits and losses of recent years were well known, as were the Company's financial troubles of 1921. Hence the interest taken in a telegram sent by H. M. Ellard, Progressive candidate in Wright County, Quebec, to the Prime Minister on Nov. 8: "I have declared to the people of Wright that it is my intention, if elected, to press for the establishment of a Royal Commission to investigate into and report upon the affairs of the Riordon Company. In this

*Note.—Toronto *Globe* despatch Nov. 29, 1921.

connection I am informed that the Government accepted the promissory notes of this Corporation for Income and Profits taxes due since 1916, the total of which, with interest to date, approximates $800,000, and is deferred for payment until April, 1922. Is this a fact? If it is true cannot the farmers and other taxpayers of Canada give their promissory notes for Income and Profits taxes?"

Sir Henry Drayton, Minister of Finance, at once issued a Memorandum stating that in dealing with the problem of getting its taxes from a concern in such a position as the Riordons the question for determination was "a Sheriff's sale on the one hand, or nursing the account on the other, so that the business of the Company might be carried on." He pointed out that the Government had not waived its rights in any way, and that the claim for taxes had priority over the claims of pulp producers, jobbers and bankers, and carried interest at the rate of 7 per cent.; the principle, he contended, was exactly the same as that applied to the farmers of the Northwest, who, through crop failure, had been unable to meet their Seed obligations. He quoted British and American precedents as to their tax accounts being leniently dealt with under certain circumstances. In Canada, he added: "Many small firms have been, and some are still, in the same position as the Riordon Company is to-day. As a result of careful and patient management these firms have been kept in business and the great bulk of the taxes collected." The total arrears of such taxation collected during the current year, were, approximately, $11,569,203. The Riordon situation, he pointed out, involved great interests, many employees and creditors, and large mill operations—with the latter kept going through the Government's policy.

The two Opposition parties made much of this matter. The Toronto *Globe* and *Farmers' Sun* and many other journals drew attention to the fact that Charles Riordon was President of the Mail Printing Co. of Toronto and Carl Riordon Vice-President; the *Grain Growers' Guide* (Nov. 23) claimed that during 1916-1920 the Riordon Company had paid $2,002,500 in dividends and had not paid any taxes except for the year 1919; the Toronto *Globe* of Nov. 11 asserted that: "The Riordon Company was abundantly able to pay its taxes in the years 1916, 1917 and 1918, but that, instead of doing so, its funds were diverted to the purchase of an American company yielding prodigious profits." The Liberal leader, Mr. King, declared at Port Arthur (Nov. 10) that the Riordon Company was not entitled to favoured treatment simply because it was an important concern which had fallen upon financial difficulties: "If this course is correct then any individual who happens to be financially handicapped, or claims to be so, has an equal right to give the Finance Minister his promissory note for the amount of his Income tax or Profits tax and, certainly, the law does not admit of any such course." The Montreal *Gazette* (Cons.), which at this juncture was very cool toward

the Government, took the ground that there had been dilatoriness in collection of taxes, and that the Company was remiss in not paying the taxes when able to pay dividends.

On the other hand, Sir Thomas White wrote, on Nov. 15, to the Toronto *Globe* declaring that: "If there is any basis for the charge of negligence which you make, the responsibility, until August, 1919, would be clearly mine (as Minister of Finance), and not that of Sir Henry Drayton. The Business Profits Act was enacted in 1916. It was retroactive to the beginning of the War. It was a most difficult Act to administer because the amount of taxation payable depended upon ascertainment of true, not nominal or share, capital and of net earnings of firms and companies affected. In order to safeguard the revenue of the Dominion, careful audit had to be made by accountants of books and documents in order to test the accuracy of statements submitted. Frequently valuation of extensive properties and inventories had to be made. The entire Dominion had to be covered. Thousands of firms and joint stock companies were affected—financial, industrial, mining, railway, shipping and others. x x x The Commissioner of Taxation informed me that it would take three or four years to create a proper organization for the collection of this and Income taxation. It took the United States much longer, and Britain has been improving her system for generations."

The result had been a great success, with the collection of 310 millions from Income taxation and 162 millions from Business Profits. Sir Thomas added: "When I left office there was a very large number of assessments remaining to be made in respect of the preceding period. After taking office, Sir Henry Drayton set himself resolutely to the task of completing assessments in respect of past years." The inference from his statement was that the Riordon taxes were amongst these. As to action in the case: "What would be gained by issuing a writ against the Company? Only long drawn-out litigation would have resulted. He (Sir Henry) has done what business men do in such a situation, and what other creditors of the Riordon Company—creditors without his preferred position—are doing to-day." As to the rest: "Neither Mr. Charles Riordon nor Mr. Carl Riordon, nor anyone else on behalf of them or the Company, ever saw me respecting the assessment or asked for any delay or other privilege. The taxation of this Company, like all others, was dealt with by the Department officers in the usual course."

Mr. Premier Meighen referred to the matter upon several occasions. At Port Arthur (Nov. 20) he stated that this Company were said, also, to owe $556,000 to the Quebec Government: "I am not, as a result, saying the Quebec Government is in league with 'Big business.' I wouldn't stand on a platform and talk such rubbish." The Federal Government would not lose a cent because it had accepted this note, which constituted

a first claim against very large assets. At Chesley (Nov. 29) he stated that in 1914-1915 the Government had advanced $14,000,000 to farmers to buy Seed grain. To this day four millions of this amount remained unpaid, drawing interest at 5 and 6 per cent. Did this look as if the Government had one yardstick for the big interests and another for the farmers? On Nov. 16, speaking in Toronto, Sir Henry Drayton said that the Riordon's entire indebtedness to the Government was about $500,000, and this was an absolutely first charge against assets and resources worth $48,000,000. He added that "the Quebec Government had similarly recognized the situation and was carrying $556,000 worth of Riordon accounts—very largely for stumpage that should have been paid at once." Sir Henry stated in Toronto, on Nov. 30, that all but $14,000,000 of the National taxes for the year had been collected, and the Ottawa *Journal* of the same date quoted figures to show that out of Business Profits' assessed taxes in 1917 and 1918 only $149,631 were now unpaid, and out of similar taxes for 1919 there was about $1,050,000 unpaid.

Women in the Elections; Labour Issues of the Day.

Out of 3,000,000 voters in Canada there were at this time more than 1,250,000 women entitled to cast their ballots. A considerable proportion would not and did not vote—notably in Quebec, where participation in politics by women did not receive Church approval; also in other parts of Canada, where indifference to the issue was much greater amongst women than men. As the Elections became assured there was a more active and interested feeling visible amongst women in the Liberal ranks than in the Government party, and the Ontario Women's Liberal Association, with Mrs. Harry Carpenter as President, did energetic work in preparation and in propaganda.

In the West the Women Grain Growers had, for years, been under organization, and they were better prepared for electoral support to the Farmers' movement than were any other section of women in Canada; in Ontario, to a lesser degree, the Women's Institutes (though non-political) helped to line up the feminine vote for one party or another. The first political body of this kind to be recognized by the Government party was the Women's National Liberal and Conservative Association of Montreal, with Mrs. Henry Joseph as President, and branches all over the city—though only organized in January of this year. There were, in all the cities and centres, Business Women's Clubs, Women's Press Associations, W. C. T. U. and Y. M. C. A. branches, I.O.D.E. Chapters; many of these and other organizations felt or showed some interest, great or small, in the Elections, and were appealed to by the various candidates.

On Oct. 21 the Ontario W. C. T. U. sent telegrams to the Party leaders asking them to state their position in regard to Prohibition and the liquor traffic. Mrs. Gordon Wright, the

Dominion President, stated at London that it was simply intended to secure statements which then would be left to the consideration and decision of individual members. Mr. Meighen and Mr. Crerar could not be reached at the moment, but Mr. King replied by quoting the Liberal Convention Resolution of 1919. The Social Service Council and the Dominion Alliance, in whose work Women's organizations were so greatly interested, addressed similar letters to the Leaders. The first body wanted statements as to race-course gambling. Mr. Meighen's reply is quoted in the preceding Section; Mr. King stated that his party had expressed no opinion on the subject; Mr. Crerar said that he was, personally, opposed to race-track gambling. J. H. Carson, President of the Dominion Alliance, wrote, on Nov. 3rd, asking for a statement as to supplementary Prohibition legislation. Mr. Meighen said, in reply, that the Government's past and present policy was one of "progressive measures" along the line of strengthening Provincial legislation and recognition of Provincial autonomy; Mr. King would not go beyond the terms of the 1919 Resolution of his Party. Meantime, various Councils of the Women's National Council of Canada—a Federation of nearly all the Women's Societies in the Dominion—had issued to candidates a statement of policy and principles as propounded in 1920:

1. **Political Standards.** (a) Equal moral standards in public and private life; (b) abolition of patronage; (c) publication of amounts subscribed to party funds; (d) open nomination of political candidates; (e) political equality for men and women; (f) that those who shall hereafter be added to the electorate shall have a speaking knowledge of English or French; (g) the naturalization of women independently of the nationality of husband.

2. **Social Standards.** . (a) That necessary legislation be enacted to permit of uniform marriage laws; (b) that there be equality of cause for divorce courts—and that there be no financial barrier; (c) prohibition of the sale of intoxicants; (d) raising the age of consent to 18 years.

3. **Industrial Standards.** (a) Equal pay for work of equal value in quantity and quality; (b) the basis of employment to be physical and mental fitness without regard to sex; (c) the principle of co-operation between employer and employed; (d) the principle of collective bargaining as defined by the Federal Department of Labour.

The Parties, in their literature, made pointed appeals to the Women voters. One Government leaflet dealt with Protection and the dangers of American competition as follows: "During the War so much money poured into the United States that they made their factories so big that they are 12 years ahead of their needs. To-day, in hundreds of their factories, men and women are working only three days a week. Hundreds of thousands are out of employment. Is your vote going to help give two extra days' work each week to the factory and shop hands in the United States and other countries? Are you going to slam the factory door for your husband, your son, your daughter, here at home?" The Premier, on Nov. 24, issued a Message to

the Women of Canada which declared that: "For the first time in our history, woman's voice is heard with the same authority as man's. Because of her numbers the voice of woman predominates. On the conscience of our women now rests the chief responsibility for determining what is to be done with Canada."

Mr. Meighen then gave his appeal the personal and patriotic touch: "I make this appeal. Think of the past, think of the hours of trial, think of the peril unspeakable in whose shadow we lived for years. Is it not the best, the wisest thing to stand by those who through all those years, themselves, stood true and strong?" As to the future he was explicit: "We cannot have prosperity, we cannot get on and get up in the world without strong and stable government. You cannot maintain responsible government at all unless parties appeal, as parties, upon defined and understandable policies upon which all their candidates stand." A sense of responsibility was urged: "The women of our country rose to their rights by their patience, their exertions, their sacrifice in war"; they should now take advantage of the privilege and vote for a policy of courage, of hopefulness, of fidelity to Canada. Though not in this document, women were frequently reminded that they owed the suffrage to Sir R. Borden's Government.

The Liberals issued a leaflet showing that they had long fought to obtain the franchise for women; that it had been first granted by Liberal Governments in British Columbia, Alberta, and Saskatchewan; that in the Commons Hon. William Pugsley had consistently urged it and Liberals advocated it. Another leaflet dealt with the Protective tariff issue as a means of increasing household expenses and the cost of food and family necessities. The Progressives, in their farmers' papers, had continuous and more or less clever appeals to women voters spread over the whole year; the women's pages in the *Farmers' Sun* or Winnipeg *Guide* and similar organs were attuned to persistent education along lines of Agrarian politics. There were not many women candidates. Miss Agnes MacPhail, in Southeast Grey, ran as a Progressive; Mrs. John Dick, in Winnipeg Centre, as a Socialist; Mrs. Rose Henderson, a Radical-Socialist, ran in the Labour interests in Montreal against Hon. C. C. Ballantyne; Mrs. Hector Prenter, also a Socialist and Labour candidate, ran in Toronto West. Neither Liberals nor Conservatives had a woman candidate, though women speakers were utilized by all the parties. Lady Laurier was invited to run in Ottawa by the Liberals, but declined.

Labour Issues and Mr. Murdock's Campaign. There were many issues raised by Labour parties and candidates, but there was no organized unity of thought, policy or action. James Murdock, Vice-President of the Brotherhood of Railway Trainmen, and one-time member of the Board of Commerce, was, perhaps, the most conspicuous Labour figure in the contest. He attacked the Government without gloves, and especially upon

its relations to the Board of Commerce; he became a Liberal-Labour candidate and was supported by and spoke at various meetings with the Liberal leader. To the Toronto *Globe* of Sept. 26, Mr. Murdock gave his reasons for supporting the Liberal party in this contest: "It is my conviction that Canada requires a Government that will be representative of all of its classes, of all its great racial and religious beliefs, and of all its many and varied interests." Canada could not get what it needed in a Farmer or Labour Government, or in a combination of both, because it would mean class government; nor in the Meighen Government because "by inheritance, by environment, by the travail of years in power, and by inclination, our present Government is essentially a class Government."

He concluded with the declaration that: "I have for years been very close to the upward and onward trend of the Labour movement in this country, and am convinced that the interests of the labourer, the common man (and by this I mean every man or woman who works for wages) can be better protected under a Liberal Government in Canada than under any other existing or proposed party. A sane, stable Government, by no one class, for no one class, but by all classes, is Canada's need." The Liberal party claimed in its campaign leaflets to have done much for Labour. It had established the *Labour Gazette*, suppressed the sweating system in 1897, established a Fair Wage scale, passed the Conciliation Act of 1900 and utilized the valuable services of Mr. Mackenzie King for many years in the Department of Labour, negotiated the Japanese Immigration arrangement, legislated for protection of workmen against accidents, striven for lower duties and cheaper living costs.

Mr. Murdock made a number of speeches, and his chief subject was the Board of Commerce. He was nominated for South Toronto on Oct. 27, and in his speech passed almost at once to the Board, stated his reasons for taking a place on the Board, reviewed its early proceedings and expressed his growing conviction that something was wrong: "I went there to do my duty. I proposed to see that certain monoplies and certain combines—you had them all in 1919 and 1920, and you've got them yet—were curbed. But it was not to be." He asserted, and did it over and over again throughout the campaign, that various members of the Government disliked the Board and its operations; that certain interests were to be protected or not attacked as the case might be; that he was urged from time to time to let this or that matter alone. At Aurora (Oct. 28) he spoke with Mr. King, and stated that: "It was never intended the Board of Commerce should function or that the special interests should be prevented from exploiting the people of Canada. It was only and simply a pretence."

He accompanied the Liberal leader to many of his Ontario meetings, and at Sarnia, on Nov. 2nd, declared that "gigantic plundering of the people went on, but we were shown that we,

on the Board of Commerce, were expected to draw our salaries of $8,000 a year and do nothing. That's why I quit." His speeches were, in fact, largely an elaboration, in stronger language, of his resignation letter on June 24, 1920, which declared that "the majority of the Cabinet are not and have never been in sympathy with the provisions and intent of the Board of Commerce Act." At Clinton, on Nov. 18, Mr. Murdock described the following Ministers, by name, as opponents of the Board in its operations: Sir George Foster, Hon. C. J. Doherty, Hon. C. C. Ballantyne, Hon. J. A. Calder and Mr. Premier Meighen. Others were afterwards named. At Hamilton, on the 20th, he instanced the Textile enquiry as an example of inability to get anywhere, and declared that he had been blocked in trying to investigate the "Cement trust and Canning combine." These charges were the backbone of his speeches and, no doubt, they had their influence on the result. Behind his campaign, also, was the well-known work of Mr. King as Deputy-Minister and then as Minister of Labour.

The Government, at first, made no special appeal to Labour. The Department under Senator Robertson had not been and was not now much criticised; there was little said against it even in the heat of this contest, and Mr. Meighen, apparently, was content to let it go at that except for the general charges of Mr. Murdock. At Smith's Falls, on Nov. 9, the Minister of Labour dealt at length with this subject. He traced the origin of the Board of Commerce, in succession to the Canada Food Board and Cost of Living Commissioner, and as created for the purpose of controlling profits, reducing the cost of living and of minimizing increases which seemed inevitable: "The Board, however, utterly failed to function successfully, and for the very good reason that instead of carrying on the work formerly performed by the Food Board and the Commissioner (W. F. O'Connor), together with the enlarged duties and responsibilities which the new Act gave to it, the Board of Commerce branched out into new lines of undertaking, which resulted, as was inevitable, in disaster. New tactics and policies were adopted, and the attention of the Board directed, not to the control of the profits of those who were handling goods, but rather to direct attack upon the producers of these goods."

Mr. Robertson declared that the operations of the Board were reflected in the fluctuations in the cost of living in Canada during the period of its existence as compared with the five years preceding the establishment of the Board: "I believe that the Board of Commerce, as it was administered, was largely responsible for the extremely high prices and the abnormal increases in the cost of commodities that occurred between July, 1919, and July, 1920." Mr. Murdock was described as particularly hostile to the Textile industry. Passing from this subject, the Minister attacked Mr. Mackenzie King, at length, in respect to the Grand Trunk strike of 1910 and the Colorado troubles of

1913 in the United States. As to the latter, he read correspondence between J. D. Rockefeller, Jr., and Mr. King, written in 1914, regarding proposed arrangements for the Canadian to take up Rockefeller Foundation and Conciliation work.*

Following this, there came a change of policy, and advertisements appeared in the Canadian press which appealed to the workers to support Mr. Meighen for the Labour services of his Government—Conferences at Ottawa bringing Capital and Labour together; Labour representation on various War Boards and at the Peace Conference; passing of the Employment Co-ordination, the Technical Education and the Vocational Training Acts; instituting retiring allowances and pensions for aged and infirm Government employees.

Meantime, W. F. O'Connor, K.C., the first Cost of Living Commissioner and a colleague with Mr. Murdock on the Board of Commerce, took up the cudgels for the Government and spoke at various Ontario points in answer to the Murdock charges. At Arnprior, on Nov. 17, Mr. O'Connor said, as to the alleged Government control of the Board, that: "I have to give this contention explicit denial and say that on no occasion whatever did any member of the Government interfere with, or attempt, such control." Had such a thing occurred Mr. O'Connor declared that he would have been first to denounce the action publicly and strongly. He stated that he had records of the whole life of the Board, and that there was no such interference as Mr. Murdock charged: "I was present on the occasion when Mr. Murdock states that he was 'lectured' by the Minister of Justice. To tell the honest truth, it was the other way." Mr. O'Connor spoke at St. Catharines, St. Thomas, Ridgetown, Stratford, Brantford, Port Hope, Hamilton, Oshawa, Toronto and other points.

Senator Robertson, at North Bay, on Nov. 18, declared that: "Mr. Murdock was the only one of the 24 Labour men appointed by the Government for special work during the War who did not make a success of his work." Mr. Meighen dealt with the matter at Owen Sound, on Nov. 28, as follows: "The whole Government together, no matter what they tried to do, had no more power to interfere with that Board than the humblest man in front of me; no more than it had to interfere with a Judge sitting in his Court. The Board was made a tribunal and given the amplest powers we had the right to give it. We would not interfere with the Commissioners. They had their functions under the law. If Mr. Murdock could not perform them, then he was not the man for the post."

The Progressive and Labour parties in Ontario had close relations during the Elections. On Sept. 12 the U. F. O., through J. J. Morrison, notified James Simpson of the Ontario Section, Canadian Labour Party, that W. C. Good, Paris, and M. H. Staples, Toronto, would be members of the Executive Commit-

*Note.—The correspondence was published in full in tne Ottawa *Journal* of Nov. 10th.

tee of the latter organization. Wherever possible co-operation was arranged, not only in Ontario but elsewhere, to defeat the candidates of the older parties. The Winnipeg Convention of the Canadian Labour Party (Aug. 28) passed a Resolution in favour of the fullest co-operation between all its Provincial Sections and the Farmers' Provincial organizations, and on Oct. 14, the *Industrial Banner*, the organ of the Labour Party and edited by James Simpson, published an Election appeal to Canadians with the following clauses:

1. Calling upon its members and sympathizers to stand solidly behind the Farmer-Labour candidates.
2. Declaring that under Liberal and Conservative Governments Canada had been made "a stamping ground of plunderers so absolutely ignorant that they imagined Labour could pay the interest on any amount of paper they chose to print."
3. Stating that Sir H. Drayton had, by paralyzing taxation, "made crooks of honest men, closed up the factories, shortened the crop acreage, depopulated the rural districts, and filled the cities with idle workmen."
4. Describing the Meighen Government as "desperately striving to hide its rotten record behind a smoke screen of tariff twaddle, revolutionary bugaboos and exploiting Imperialism."
5. Denouncing Mr. Meighen as "a finished type of bloodless legalism and bureaucracy" and a "legal apologist for plunder and privilege."
6. Declaring that Mr. Mackenzie King was a leader of "pussy-footing Liberalism" and a sympathizer and servant of the financial magnates "who have this nation by the throat."
7. Stating that "the I. L. P. stands for a humane and equitable distribution of the products of human toil, and believes that with our resources, the recurring conditions of misery, unemployment and want are wholly artificial and directly chargeable to our system of irresponsible and arbitrary financial control."

This latter presentation of Socialism was the text of a number of speeches by Mr. Simpson, who was Labour candidate in Parkdale, and by supporters like the Rev. Dr. S. G. Bland; well-known protagonists of the policy like W. A. Pritchard, candidate in Victoria, B.C., or John Harrington, Socialist candidate in Burrard, B.C., Rev. A. E. Smith in Brandon, J. S. Woodsworth in Winnipeg, and other candidates throughout the West, followed upon even broader lines. Speaking in Toronto, on Nov. 20, Mr. Simpson stated that "not a Labour party in the country has failed to accept the Socialist plank for the collective ownership of the means of life. This was not thought of two years ago. It is true that the Farmers have not reached this point. We have got to give them time. A great many farmers are nothing but wage slaves."* There were 45 Labour candidates throughout Canada, many of them avowed Socialists, and most of them standing upon the platform of the Canadian Labour Party, which was as follows:

1. State Insurance against unemployment—chargeable to Industry.
2. Public Ownership and Democratic Control of Public Utilities.
3. Electoral Reform. Proportional Representation. Names instead of Election Deposit. Extension of Voting Facilities.

*Note.—Toronto *Globe* report Nov. 21, 1921.

4. Old Age Pensions—Health, Disability, Insurance.
5. Abolition of Non-elective Legislative Bodies.
6. International Disarmament.
7. Direct Legislation—Initiative, Referendum, Recall.
8. Enactment of Recommendations of Washington Labour Conference, and especially the Eight-hour Day.
9. Repeal of Amendment to Immigration Act providing for Deportation of British Subjects.
10. Removal of Taxation on the Necessities of life; Taxation of Land values; Abolition of Fiscal Legislation that leads to Class privileges.
11. Nationalization of the Banking System.
12. Capital levy for reduction of War Debt.

Result of the Elections: Defeat of the Meighen Government.

On Dec. 6 the Government was defeated by two to one; every Province except British Columbia went against Mr. Meighen; Quebec, for the first time in history, sent a solid Liberal *bloc* to Ottawa, as did Nova Scotia and P. E. Island; the three Western Provinces gave the Progressives 37 to 5 Liberals and no Government supporters. As published later, a total of 3,121,844 votes was cast out of 3,726,722 on the voters' list, or 65 per cent.; they compared with 1,885,329 votes cast in 1917 out of 2,093,799 on the electoral lists. About one million women probably voted; another interesting and unusual fact was the absence of all acclamations on Nomination day. The figures of Party voting were not officially given, but the Canadian Press, Limited, issued estimates which were accepted as approximately correct, and they showed 1,296,723 Liberal votes, 971,502 Government or Conservative votes, 769,387 Progressive votes, and 84,232 Independent votes; the same calculation made each Liberal elected represent 11,083 voters, each Progressive 11,672, and each Conservative 18,400. Practically, the Government vote was a Conservative one, as there was no reason to doubt that the Unionist Liberals had, by this time, almost entirely returned to the party fold. A curious feature of the Election was that, while the Conservatives had a much larger popular vote than the Progressives, the latter had many more members elected. The vote by Provinces was as follows:

Province	No. Members Lib.	No. Votes Lib.	No. Members Con.s	No. Votes Cons.	No. Members Prog.	No. Votes Prog.	No. Members Ind.	No. Votes Ind.
Ontario	21	351,717	37	445,150	24	329,502		9,003
Quebec	65	558,056		163,743		31,790		39,477
Nova Scotia	16	136,064		87,988		35,741		
New Brunswick	5	76,653	5	61,172	1	17,447		
P. E. Island	4	23,950		19,504		8,990		
Manitoba	2	29,525		46,486	12	83,350	1	13,361
British Columbia	3	46,249	7	74,226	3	21,786		12,739
Alberta		27,404		35,181	11	104,295	1	6,024
Saskatchewan	1	46,447		37,345	15	136,486		3,610
Yukon		658	1	707				18
Total	117	1,296,723	50	971,502	66	769,387	2	84,232

There were 192 candidates who lost their deposits through not polling one-half of the total vote given for the successful candidates—and of this number 70 were Conservatives, 47 Pro-

gressives, 43 Independents, and 32 Liberals. In Ontario the Government, or Conservative party, polled only 445,000 votes to 680,000 given to the Liberals and Progressives; showing, as did other Provinces, the practical effect of the two Opposition parties fighting the Government more than each other. Only 65 per cent. of the total vote was polled, though in Great Britain the average was about 75 per cent.; the votes polled did not represent the number of members returned, at all closely, except in British Columbia and New Brunswick. The Liberals secured 53 per cent. of the votes recorded in Nova Scotia, but captured all the 16 seats, and the 87,000 Tories, as well as the 35,000 Progressives, were left without representation; in Quebec the 163,000 Conservative votes did not elect one member; in Manitoba the Progressives polled less than half the vote cast but captured 12 out of the 15 seats, and in Alberta, with 60 per cent. of the total vote, they captured 11 out of the 12 seats. Ontario was the centre of the industrial part of the Fiscal fight, and its cities largely supported the Government—15 out of 24 voting Conservative. Ottawa, London, Brantford, Chatham, Kitchener, Peterborough and Windsor, Guelph and Niagara Falls went Liberal. Toronto showed its usual Tory colours with a total Conservative majority in its 9 seats of 23,028.

The personal losses of the Government were severe. Mr. Meighen was beaten by a Progressive in Portage la Prairie, his home riding, by over 600 majority; the other Leaders were more fortunate, with Mr. Crerar elected by 4,200 majority in Marquette and the Liberal leader in West York by 1,100 majority —greatly to the popular surprise outside of that riding. Of the Ministers, Mr. McCurdy and Mr. Spinney were defeated in Nova Scotia and all four French-Canadian members of the Cabinet were beaten in their Province by large majorities, together with Mr. Ballantyne in Montreal; Dr. Edwards lost his seat in Fronténac, Hon. R. B. Bennett in Calgary, and Mr. Wilson in Saskatoon. With the clean sweep of the Liberals in Quebec went the election of Sir Lomer Gouin by a large majority, while Hon. H. S. Béland, Hon. Jacques Bureau, Hon. W. G. Mitchell, Hon. R. Lemieux and Ernest Lapointe polled heavy votes in their respective ridings. Hon. Frank Oliver, the veteran Liberal leader in the West, was defeated by a Progressive in Edmonton, as was Hon. Duncan Marshall in Calgary; F. F. Pardee in West Lambton and Dr. Michael Clark in Mackenzie were two other defeated Liberal leaders. Notable Liberal successes were A. B. Hudson in Winnipeg, W. R. Motherwell in Regina, A. K. Maclean in Halifax, A. B. Copp in Westmorland, Lucien Cannon in Quebec, S. W. Jacobs, J. C. Walsh and Fernand Rinfret in Montreal, and W. G. Raymond in Brantford—the latter defeating W. F. Cockshutt, the determined protagonist of closer Imperial unity and organized Protection. Amongst the other notable Conservatives of preceding Parliaments who went down in the battle were J. E. Armstrong, Colonel J. A. Currie, Hon. William Smith, Hon. Robert Rogers, Colonel C. W. Peck, v.c.

There were not many soldiers in the field, and of these the majority were defeated. Colonel Peck in Skeena, B.C., and Sergt. W. L. Rayfield V.C., in one of the Torontos, were beaten, as were Col. J. A. Currie in Simcoe, Brig.-Gen. Victor W. Odlum, C.B., C.M.G., D.S.O., in Vancouver, Brig.-Gen. H. M. Dyer, D.S.O., M.C., in Marquette, Maj.-Gen. Robert Rennie in North Toronto, Major J. E. Streight, M.C., in West York, Major G. W. Andrews, D.S.O., in Winnipeg, Lieut.-Col. James Arthurs in Parry Sound and D. Loughnan in Ottawa. Brig.-Gen. J. A. Clark, C.M.G., D.S.O., was elected in Vancouver, Major T. A. Vien and Major C. G. Power, M.C., in Quebec Province, Brig.-Gen. A. E. Ross, C.B., C.M.G., in Kingston. All the women candidates were defeated except Miss Agnes MacPhail, the first woman member of the Dominion Parliament, who was returned in Southeast Grey by 2,598 majority.

Organized Labour, or its fraternal associate, Socialism, elected two members—J. S. Woodsworth in Winnipeg by a large vote and William Irvine in Calgary East; Hamilton, which sent two Labour members to the Ontario Legislature, did not elect one to Ottawa. There were various causes and reasons given for this general failure, with the Winnipeg *Free Press* (Dec. 8) stating the following view: "Labour during the years since the Election of 1917 has been losing its coherence not only as a political but also as an individual factor in the community. Labour history in the past four years is one of schism, break-up and destructive rivalry; the tendency has been towards disunity, and disunity of a sort that left the moderate element in a depressed condition, while the radical element was aggresively vocal for policies which made only a narrow class appeal." An interesting fact was the absence in Ontario of newspaper support for the Progressives, who carried 24 seats, with the Ottawa *Citizen*, Forest *Free Press* and Bracebridge *Gazette* as their chief journalistic support apart from the vigorous work of the *Farmers' Sun*; in the West the Calgary *Albertan* did good service for this party with, of course, the Winnipeg *Grain Growers' Guide* in the front of the battle. The following are the official returns of the Election:

ONTARIO

Constituency	Opposition Candidates	Politics	Government Candidate	Member Elected	Majority
Algoma East	J. G. Carruthers	Lib.	G. B. Nicholson	J. G. Carruthers	813
	J. E. Wright	Prog.			
Algoma West	H. S. Hamilton	Lib.	T. E. Simpson	T. E. Simpson	714
	T. E. Farquhar	Prog.			
Brant	W. C. Good	Prog.	W. H. Reid	W. C. Good	159
	Robt. Aitken	Lib.			
Brantford	W. G. Raymond	Lib.	W. F. Cockshutt	W. G. Raymond	1,987
	A. W. Burt	Prog.-Lab.			
Bruce North	R. E. Stacey	Prog.	Hugh Clark	James Malcolm	474
	James Malcolm	Lib.			
Bruce South	J. W. Findley	Prog.	John Purvis	J. W. Findley	913
	R. E. Truax	Lib.			
Carleton	W. L. Gourlay	Lib.	W. F. Garland	W. F. Garland	1,395
	Bower Henry	Prog;	E. H. Good	Ind.-Cons.	

Constituency	Opposition Candidates	Politics	Government Candidate	Member Elected	Majority
Dufferin	R. J. Woods	Prog.	John Best	R. J. Woods	297
Dundas	Preston Elliot	Prog.	O. D. Casselman	Preston Elliott	233
Durham	T. A. V. Reid	Prog.	F. W. Bowen	F. W. Bowen	1,170
	W. T. R. Preston	Lib.			
Elgin East	S. S. McDermand	Prog.	J. L. Stansell	J. L. Stansell	68
	C. W. Colter	Lib.			
Elgin West	A. E. Hookway	Prog.	H. C. McKillop	H. C. McKillop	354
	W. Tolmie	Lib.			
Essex North	W. C. Kennedy	Lib.	H. J. Neale	W. C. Kennedy	7,195
Essex South	Hon. G. P. Graham	Lib.	E. S. Scratch	Hon. G. P. Grabam	513
	T. J. Willan	Prog.			
Fort William—Rainy River	C. D. Garver	Prog.	Hon. R. J. Manion	Hon. R. J. Manion	300
Frontenac	W. S. Reed	Prog.	Hon. J. W. Edwards	W. S. Reed	223
Glengarry—Stormont	J. W. Kennedy	Prog.	C. L. Hervey	J. W. Kennedy	378
	J. E. Chevrier	Lib.			
Grenville	G. A. Payne	Prog.	A. C. Casselman	A. C. Casselman	1,933
	P. A. McIntosh	Lib.			
Grey North	T. J. Rutherford	Prog.-Lab.	M. R. Duncan	M. R. Duncan	203
	W. P. Telford	Lib.			
Grey S. E.	Miss A. C. MacPhail	Prog.	R. J. Ball	Miss A. C. MacPhail	2,598
	Walter Hastie	Lib.			
Haldimand	S. A. Beck	Prog.	Mark C. Senn	Mark C. Senn	717
	D. Z. Gibson	Lib.			
Halton	W. F. W. Fisher	Lib.	R. K. Anderson	R. K. Anderson	1,615
	J. F. Ford	Prog.			
Hamilton East	E. J. Etherington	Farm-Lab.	Hon. S. C. Mewburn	Hon. S. C. Mewburn.	1,496
	C. G. Booker	Ind.			
	J. Newlands	Lib.			
Hamilton West	T. J. O'Heir	P.Lab	T. J. Stewart	T. J. Stewart	1,952
	W. Ainslie	Lib.			
Hastings, E.	James Walsh	Lib.	T. H. Tbompson	T. H. Tbompson	1,394
	J. A. Caskey	Ind.			
Hastings, W.	A. D. McIntosb	Prog.	E. G. Porter	E. G. Porter	1,171
Huron, Nortb	J. W. King	Prog.	George Spotton	J. W. King	1,186
	W. H. Frasier	Lib.			
Huron Soutb	Wm. Black	Prog.	J. J. Merner	William Black	44
	T. G. McMillan	Lib.			
Kent	A. B. McCoig	Lib.	W. A. Hammond	A. B. McCoig	3,882
	D. R. McDairmid	Prog.			
Kingston	J. M. Campbell	Lib.	A. E. Ross	A. E. Ross	171
Lambton	B. W. Fansher	Prog.	J. E. Armstrong	B. W. Fansher	995
Lambton West	R. J. White	Prog.	R. V. LeSueur	R. V. LeSueur	757
	F. F. Pardee	Lib.			
Lanark	R. M. Anderson	Prog.	Hon. J. A. Stewart	Hon. J. A. Stewart	2,635
	W. G. Ferguson	Ind.			
Leeds	A. W. Mallory	Lib.	H. A. Stewart	H. A. Stewart	2,038
	G. F. Warren	Prog.			
Lennox and Addington	E. J. Sexsmitb	Prog.	A. B. Carscallen	E. J. Sexsmith	129
Lincoln	E. J. Lovelace	Lab.	J. D. Chaplin	J. D. Chaplin	1,875
	A. A. Craise	Prog.			
London	C. R. Somerville	Lib.	J. F. White	J. F. White	1,756
	A. Mould	Lab.			
Middlesex East	A. L. Hodgins	Prog.	S. F. Glass	A. L. Hodgins	796
	D. C. Ross	Lib.			
Middlesex West	J. D. F. Drummond	Prog.	G. A. Elliot	J. D. F. Drummond	1,539
	D. C. Ross	Lib.			
Muskoka	W. J. Hammell	Prog.	Peter McGibbon	W. J. Hammell	134
Nipissing	E. A. Lapierre	Lib.	C. R. Harrison	E. A. Lapierre	4,297
	J. B. Levert	Prog.			
Norfolk	J. A. Wallace	Prog.	William Sutton	J. A. Wallace	754
Nortbumberland	C. W. Kerr	Lib.	M. E. Maybee	M. E. Maybee	776
	F. J. Slade	Prog.			
Ontario, N.	R. H. Halbert	Prog.	N. D. McKinnon	R. H. Halbert	147
Ontario, S.	F. M. Chipman	Prog.	Hon. Wm. Smith	L. O. Clifford	179
	L. O. Clifford	Lib.			
Ottawa	H. B. McGiverin	Lib.	A. E. Fripp	H. B. McGiverin	6,258
	E. R. E. Chevrier	Lib.	N. Champagne	E. R. E. Chevrier	5,278
	D. Loughnan	Prog.			
	E. Bourque	Prog.			
Oxford, N.	D. J. Sinclair	Lib.	E. W. Nesbitt	D. J. Sinclair	160
	J. H. Lillico	Prog.			
Oxford, S.	M. Dean	Lib.	D. Sutberland	D. Sutherland	879
	M. L. Haley	Prog.			
Parkdale	W. Douglas	Lib.	D. Spence	D. Spence	5,218
	James Simpson	Prog. Lab.			
Parry Sound	W. R. Mason	Lib.	James Artburs	James Arthurs	72
	A. W. Partridge	Prog.			

Constituency	Opposition Candidates	Politics	Government Candidate	Member Elected	Majority
Peel	W. J. Lowe	Lib.	Samuel Charters	Samuel Charters	1,160
	H. J. W. Taylor	Prog.			
Pertb, N.	J. P. Rankin	Lib.	H. B. Morpby	J. P. Rankin	756
	W. A. Amos	Prog.			
Perth, S.	Wm. Forrester	Lib.	M. Steele	W. Forrester	261
	Robert Berry	Prog.			
Peterborough, East	G. A. Brethen	Prog.	J. A. Sexsmith	G. A. Brethen	351
	J. A. Dewart	Lib.			
Peterborough, West	G. N. Gordon	Lib.	J. H. Burnham	G. N. Gordon	2,158
Port Arthur and	A. J. McComber	Lib.	F. H. Keefer	D. Kennedy	54
Kenora	D. Kennedy	Prog.			
Prescott	A. Sabourin	Lib.			
	E. Proulx	Ind-Lab.			
	Josepb Binette	Prog.		J. Binette	897
Prince	H. H. Horsey	Lib.	John Hubbs	John Hubbs	1,109
Edward	J. R. Anderson	Prog.			
Renfrew, N.	M. McKay	Lib.	I. D. Cotnam	M. McKay	457
	A. Collins	Prog.			
Renfrew, S.	T. A. Low	Lib.	J. H. Findlay	T. A. Low	1,408
	R. G. Wilson	Prog.			
	M. J. Maloney	Ind.			
Russell	Hon. Charles Murphy	Lib.		Hon. Charles Murphy	2,233
	M. Rathwell	Prog.			
Simcoe, E.	Manley Chew	Lib.	R. Raikes	Manley Chew	2,064
	T. F. Swindle	Prog.			
Simcoe, N.	T. E. Ross	Prog.	J. A. Currie	T. E. Ross	809
	W. J. Holden	Ind.-Lib.			
Simcoe, S.	C. B. Jeffs	Prog.	W. A. Boys	W. A. Boys	1,751
Timiskaming	D. McEachren	Lib.	A. J. Kennedy	A. McDonald	94
	A. McDonald	Prog.			
	D. Bertrand	Ind.			
Toronto:					
Centre	N. C. McEacbren	Lib.	Hon. Edmund Bristol	Hon. Edmund Bristol	862
East	J. W. Bruce	Lab.	E. B. Ryckman	E. B. Ryckman	1,408
	Thos. Foster	Ind.-Cons.			
	W. L. Rayfield	Ind.			
	Elizabeth B. Kiely	Lib.			
North	Robert Rennie	Lib.	T. L. Church	T. L. Church	3,960
South	James Murdock	Lib.	Charles Sheard	Cbarles Sbeard	581
West	A. T. Hunter	Lib.	H. C. Hocken	H. C. Hocken	2,007
	Harriet D. Prenter	Lab.			
Victoria	J. J. Thurston	Prog.	T. H. Stinson	J. J. Thurston	203
Waterloo, N.	W. D. Euler	Lib.	J. E. Hett	W. D. Euler	2,472
Waterloo, S.	Wm. Elliott	Prog.	F. S. Scott	Wm. Elliott	800
Welland	W. M. German	Lib.	E. E. Fraser	W. M. German	4,830
	J. H. Staley	Prog.			
Wellington:					
North	J. Pritchard	Prog.	W. A. Clarke	J. Pritchard	1,264
South	Samuel Carter	Lib.			
	James Singer	Lab.	Hon. Hugh Guthrie	Hon. Hugh Guthrie	131
Wentwortb	W. T. Evans	Lib.	G. C. Wilson	G. C. Wilson	129
	C. F. T. Woodley	Prog.			
York East	A. G. Ross	Lib.	J. H. Harris	J. H. Harris	6,538
	H. Kirwin	Lab.			
York Nortb	Hon. W. L. Mackenzie King	Lib.	J. A. M. Armstrong	Hon. W. L. Mackenzie King	1,055
	R. W. E. Burnaby	Prog.			
York South	A. MacGregor	Lib.	W. F. Maclean	W. F. Maclean	2,353
	R. H. Palmer	Lab.			
York West	J. E. L. Streight	Lib.	Hon. Sir H. L. Drayton	Hon. Sir H. L. Drayton	861
	J. A. Cameron	Prog.			

QUEBEC

Argenteuil	P. R. McGibbon	Lib.	T. Cbristie	P. R. McGibbon	855
	J. E. Arnold	Prog.			
Bagot	J. E. Marcile	Lib.	J. A. Dupuis	J. E. Marcile	970
	L. H. Marcotte	Ind.			
Beauce	Hon. H. S. Béland	Lib.	E. J. Lambert	Hon. H. S. Béland	10,695
Beauharnois	L. J. Papineau	Lib.	Hon. R. Monty	L. J. Papineau	1,875
Bellechasse	C. A. Fournier	Lib.	E. Turgeon	C. A. Fournier	4,086
	J. C. Côté	Prog.			
Bertbier	Theodore Gervais	Lib.	J. A. Barrette	T. Gervais	2,295
Bonaventure	Hon. Charles Marcil	Lib.	T. R. Busteed	Hon. Charles Marcil	4,537
Brome	A. R. McMaster	Lib.	J. Boulay	A. R. McMaster	1,605
Chambly-Vercheres	J. Archambault	Lib.	A. Guertin	J. Archambault	4,002
Champlain	A. L. Desaulniers	Lib.	J. H. Desrocbes	A. L. Desaulniers	9,619
	A. Trudel	Prog.			

Constituency	Opposition Candidates	Politics	Government Candidate	Member Elected	Majority
Charlevoix-Montmorency	P. F. Casgrain	Lib.	Hon. L. de G. Belley	P. F. Casgrain	4,825
Châteauguay-Huntingdon	J. A. Robb	Lib.		J. A. Robb	1,854
	P. D. McArthur	Prog.	Joseph Begin		
Chicoutimi-Saguenay	E. Savard	Lib.	J. Girard	E. Savard	14,699
	S. Lapointe	Ind.			
Compton	A. B. Hunt	Lib.	F. R. Cromwell	A. B. Hunt	3,905
Dorchester	Lucien Cannon	Lib.	P. Vallière	Lucien Cannon	3,041
Drummond and Arthabaska	J. N. K. Laflamme	Lib.	W. Laliberté	J. N. K. Laflamme	8,126
	J. A. Nadeau	Ind.			
	W. Blanchard	Prog.			
Gaspé	Hon. R. Lemieux	Lib.	J. E. Sirois	Hon. R. Lemieux	7,461
George-Étienne-Cartier	S. W. Jacobs	Lib.	H. A. Cholette	S. W. Jacobs	4,271
	M. Buhay	Lab.			
	J. O. Cartier	Ind.			
	L. O Maille	Ind.			
Hochelaga	E. C. St.-Père		J. R. L. Ayotte	E. C. St.-Père	17,829
Hull	J. E. Fontaine	Lib.		J. E. Fontaine	9,488
	S. Lafortune	Prog.			
Jacques-Cartier	D. A. Lafortune	Lib.	J. B. H. Gohier	D. A. Lafortune	9,654
	J. A. Descarries	Ind.-Lib.			
Joliette	J. J. Denis	Lib.	J. L. Laporte	J. J. Denis	2,440
	P. Bonin				
Kamouraska	C. A. Stein	Lib.	J. H. Caron	C. A. Stein	2,339
Labelle	H. A. Fortier	Lib.		H. A. Fortier	4,498
	J Langlais	Ind.			
	J. Lachance	Prog.			
	M. A. Ménard	Ind.			
Laprairie et Napierville	Roch Lanctôt	Lib.	L. M. Cornellier	Roch Lanctôt	3,245
L'Assomption-Montcalm	P. A. Séguin	Lib.	A. Forest	P. A. Séguin	5,782
	Louis Thouin	Ind.			
	L. H. Vironneau	Prog.			
Laurier-Outremont	Sir Lomer Gouin	Lib.	J. A. Nadeau	Sir Lomer Gouin	10,318
	A. Mathieu	Lab.			
Laval-Two Mountains	J. A. C. Ethier	Lib.		J. A. C. Ethier	2,561
	A. Théorêt	Prog.			
	J. A. Bibeau	Ind.			
Lévis	J. B. Bourassa	Lib.	L. G. Gravel	J. B. Bourassa	4,783
L'Islet	J. F. Fafard	Lib.	E. Paquet	J. F. Fafard	1,588
Lotbinière	Thomas A. Vien	Lib.		Thomas A. Vien	2,809
	H. Lafleur	Prog.			
Maisonneuve	C. Robitaille	Lib.	J. E. Bernier	C. Robitaille	12,089
	Z. Tardif				
Maskinongé	E. Desrochers	Lib.	A. Bellemare	E. Desrochers	2,137
Matane	F. J. Pelletier	Lib.	H. Boulay	F. J. Pelletier	5,853
Megantic	L. T. Pacaud	Lib.	A. A. Blondin	L. T. Pacaud	6,966
Missisquoi	W. F. Kay	Lib.	F. A. Giroux	W. F. Kay	2,528
Montmagny	A. M. Dechêne	Lib.		A. M. Dechêne	3,771
	T. Coulombe	Prog.			
Nicolet	A. Trahan	Lib.		A. Trahan	6,027
	F. Proulx	Prog.			
Pontiac	F. S. Cahill	Lib.	G. B. Campbell	F. S. Cahill	7,277
	G. A. Landon	Ind.			
Portneuf	M. S. Delisle	Lib.	J. Lamarche	M. S. Delisle	7,546
	J. Q. Fafard	Prog.			
Quebec Co	H. E. Lavigueur	Lib.		H. E. Lavigueur	2,296
	A. Lavergne	Ind.			
Quebec East	Ernest Lapointe	Lib.	R. A. Drapeau	E. Lapointe	7,581
Quebec South	C. G. Power	Lib.	T. J. Delany	C. G. Power	3,364
	E. F. Dussault	Ind.			
Quebec West	Georges W. Parent	Lib.	P. Bertrand	G. W. Parent	4,026
Richelieu	P. J. A. Cardin	Lib.	W. G. M. Morgan	P. J. A. Cardin	2,662
Richmond and Wolfe	E. W. Tobin	Lib.		E. W. Tobin	7,354
	A. Lemire	Prog.			
Rimouski	J. E. S. E. d'Anjou	Lib.		J. E. S. E. d'Anjou	5,116
	A. Lavoie	Ind.			
St. Ann	J. C. Walsh	Lib.	T. J. Coonan	J. C. Walsh	5,248
	A. W. Lanouette	Lab.			
St. Antoine	W. G. Mitchell	Lib.	W. G. Ross	W. G. Mitchell	3,782
St. Denis	J. A. Denis	Lib.		J. A. Denis	14,965
	J. C. Gauthier	Lab.			
St. Hyacinthe-Rouville	P. L. W. Dupré	Ind.-Lab.			
	L. S. R. Morin	Lib.	L. J. Gauthier	L. S. R. Morin	4,798
St. James	Fernand Rinfret	Lib.	A. R. O. L. Gauthier	F. Rinfret	10,248
	U. Paquin	Ind.			
St. Jean-et-Iberville	M. J. Demers	Lib.	Victor Mailloux	M. J. Demers	6,158
St. Lawrence-St. George	H. H. Marler	Lib.	Hon. C. C. Ballantyne	H. H. Marler	2,561
	Mrs. R. Henderson	Lab.			

Constituency	Opposition Candidates	Politics	Government Candidate	Member Elected	Majority
Ste. Marie	H. Deslauriers	Lib.	H. Julien	H. Deslauriers	10,757
	Augustin Germain	Ind.			
Shefford	G. H. Boivin	Lib.		G. H. Boivin	3,682
	H. Beaudry	Prog.			
Sherbrooke	F. N. McCrea	Lib.	E. B. Worthington	F. N. McCrea	4,508
Stanstead	W. K. Baldwin	Lib.	P. L. Baldwin	W. K. Baldwin	3,773
Témiscouata	C. A. Gauvreau	Lib.	N. Caron	C. A. Gauvreau	792
	J. F. Pouliot	Ind.			
Terrebonne	J. E. Prévost	Lib.	Hon. G. A. Fauteux	J. E. Prévost	5,246
Three Rivers and St. Maurice	Hon. J. Bureau	Lib.	Hon. L. P. Normand	Hon. J. Bureau	7,307
	Gustave Boyer	Lib.	R. Delorimier	Gustave Boyer	2,579
Vaudreuil-Soulanges	A. Pharand	Ind.			
	J. Charlebois	Prog.			
Westmount-St. Henri	P. Mercier	Lib.	W. Lemarre	P. Mercier	10 388
Wright	R. M. Gendron	Lib.	F. A. Labelle	R. M. Gendron	2,920
	H. M. Ellard	Prog.			
Yamaska	A. Boucher	Lib.		A. Boucher	1,668
	R. Plante	Ind.			

NOVA SCOTIA

Antigonish and Guysborough	C. F. McIsaac	Lib.	Walter McNeil	C. F. McIsaac	3,396
	D. A. McIsaac	Prog.			
Cape Breton N. and Victoria	D. D. McKenzie	Lib.		D. D. McKenzie	3,339
	M. A. McKenzie	Prog.			
Cape Breton S. and Richmond	W. F. Carroll	Lib.	J. C. Douglas	W. F. Carroll	1,610
	G. W. Kyte	Lib.	R. S. McLellan	G. W. Kyte	1,473
	J. B. McLachlan	Ind.			
	E. C. Doyle	Ind.			
Colchester	Harold Putman	Lib.	Hon. F. B. McCurdy	H. Putman	326
Cumberland	H. J. Logan	Lib.	C. E. Bent	H. J. Logan	5,355
	J. A. MacKinnon	Ind.			
Digby and Annapolis	L. J. Lovett	Lib.	A. L. Davidson	L. J. Lovett	2,235
Halifax	Hon. A. K. MacLean	Lib.	H. McInnes, K.C.	Hon. A. K. MacLean	4,876
	E. Blackadder	Lib.	J. W. Doyle	E. Blackadder	5,141
	J. S. Wallace	Ind.			
	A. C. Hawkins	Ind.			
Hants	L. H. Martell	Lib.	A. Parsons	L. H. Martell	232
	H. E. Kendall	Prog.			
Inverness	A. W. Chisholm	Lib.		A. W. Chisholm	522
	I. D. Macdougall	Prog.- Lab.			
King's	E. W. Robinson	Lib.	H. W. Phinney	E. W. Robinson	715
Lunenburg	William Duff	Lib.	D. Stewart	W. Duff	3,358
Pictou	E. M. Macdonald	Lib.	Thomas Cantley	E. M. Macdonald	3,558
	R. McD. Reid	Prog.			
Shelburne and Queen's	Hon. W. S. Fielding	Lib.	W. L. Hall	Hon. W. S. Fielding	717
Yarmouth & Clare	P. La C. Hatfield	Lib.	Hon. E. K. Spinney	P. La C. Hatfield	1,55 7

NEW BRUNSWICK

Charlotte	W. F. Todd	Lib.	R. W. W. Grimmer	R. W. W. Grimmer	133
Gloucester	O. Turgeon	Lib.	J. E. DeGrace	O. Turgeon	4,829
Kent	A. T. Léger	Lib.		A. T. Léger	1,523
	A. J. Doucet	Prog.			
Northumberland	John Morrissy	Lib.	E. A. McCurdy	John Morrissy	1,421
Restigouche and Madawaska	P. Michaud	Lib.	W. S. Montgomery	P. Michaud	5,870
Royal	D. H. McAllister	Lib.	George B. Jones	G. B. Jones	117
	G. H. Perkins	Prog.			
St. John City	H. R. McLellan	Lib.	Hon. J. B. M. Baxter	Hon. J. B. M. Baxter	1,115
St. John Co. and Albert Co.	W. P. Broderick	Lib.	M. MacLaren	M. MacLaren	370
	F. A. Campbell	Lab.			
	W. M. Calhoun	Prog.			
Victoria and Carleton	T. W. Caldwell	Prog.	B. F. Smith	T. W. Caldwell	1,052
Westmoreland	A. B. Copp	Lib.	O. B. Price	A. B. Copp	7,762
	A. E. Trites	Prog.			
York-Sunbury	W. J. Osborne	Lib.	R. B. Hanson	R. B. Hanson	866

MANITOBA

Brandon	F. C. Cox	Lib.	C. E. Ivens	R. Forke	5,529
	R. Forke	Prog.			
Dauphin	W. J. Ward	Prog.	R. Cruise	W. J. Ward	5,641
Lisgar	J. L. Brown	Prog.	Hon. R. Rog..ers	J. L. Brown	1,164

Constituency	Opposition Candidates	Politics	Government Candidate	Member Elected	Majority
Macdonald	W. J. Lovie	Prog.	A. S. Argue	W. J. Lovie	3,953
	J. Rocan	Lib.			
Marquette	Hon. T. A. Crerar	Prog.	General H.M. Dyer	Hon. T. A. Crerar	5,566
	L. St. G. Stubbs	Lib.			
Neepawa	Robert Milne	Prog.	H. R. Ross	Robert Milne	5,729
Nelson	T. W. Bird	Prog.	B. E. Rothwell	T. W. Bird	1,495
Portage la Prairie	A. M. Bannerman	Lib.	Rt. Hon. Arthur Meighen	H. Leader	177
	H. Leader	Prog.			
Provencher	A. L. Beaubien	Prog.	A. Prefontaine	A. L. Beaubien	1,012
	J. P. Malloy	Lib.			
Selkirk	L. P. Bancroft	Prog.	T. Hay	L. P. Bancroft	3,214
	J. E. Adamson				
	T. H. Dunn	Lab.			
	S. J. Johannesson	Lib.			
Souris	J. Steedsman	Prog.	R. G. Willis	J. Steedsman	3,666
Springfield	R. A. Hoey	Prog.	A. D. Sutherland	R. A. Hoey	1,397
	T. B. Molloy	Lib.			
Winnipeg Centre	J. S. Woodsworth	Lab.	J. K. McIvor	J. S. Woodsworth	3,740
	J. W. Wilton	Lib.			
	Harriet S. Dick	Soc.			
	G. W. Andrews	Ind.-Cons.			
Winnipeg North	E. J. McMurray	Lib.	M. R. Blake	E. J. McMurray	715
	R. B. Russell	Soc.			
	J. Penner	Lab.			
Winnipeg South	A. B. Hudson	Ind.	G. N. Jackson	A. B. Hudson	2,866
	W. R. Hogarth	Lib.			

BRITISH COLUMBIA

Burrard	M. A. Macdonald	Lib.	J. A. Clark	J. A. Clark	5,280
	J. D. Harrington	Soc.			
Cariboo	T. G. McBride	Prog.	J. T. Robinson	T. G. McBride	3,306
Comox-Alberni	A. W. Neill	Prog.	H. S. Clements	A. W. Neill	1,235
	J. E. Armishaw	Ind.			
Fraser Valley	E. A. Munro	Lib.	F. B. Stacey	E. A. Munro	215
Kootenay East	R. E. Beattie	Lib.	S. Bonnell	R. E. Beattie	136
	W. S. MacDonald	Prog.			
Kootenay West	L. W. Humphrey	Prog.	W. O. Rose	L. W. Humphrey	900
	R. B. Staples	Lib.			
Nanaimo	T. B. Booth	Lib.	C. H. Dickie	C. H. Dickie	2,738
	W. A. Pritchard	Prog.			
New Westminster	R. P. Pettipiece	Soc.	W. G. McQuarrie	W. G. McQuarrie	18
	John Reid	Lib.			
Skeena	A. Stork	Lib.	C. W. Peck	A. Stork	38
Vancouver Centre	R. H. Gale	Lib.	H. H. Stevens	H. H. Stevens	4,955
	T. O'Connor	Soc.			
	C. F. Batson	Prog.			
Vancouver South	Brig.-Gen. V. W. Odlum	Lib.	L. J. Ladner	L. J. Ladner	773
	T. Richardson	Soc.			
	J. Kavanagh	Com.			
	J. I. Richmond	Prog.			
Vancouver City	W. McK. Ivel	Lib.	Hon. S. F. Tolmie	Hon. S. F. Tolmie	2,452
Yale	D. W. Sutherland	Lib.	J. A. MacKelvie	J. A. MacKelvie	542

PRINCE EDWARD ISLAND

King's	J. J. Hughes	Lib.	J. McIsaac	J. J. Hughes	821
	D. J. Mullin	Prog.			
Prince	A. E. MacLean	Lib.	James McNeill	A. E. MacLean	1,259
	Horace Wright	Prog			
Queen's	J. E. Sinclair	Lib.	J. H. Myers	J. E. Sinclair	1,350
	D. A. Mackinnon	Lib.	D. McKinnon	D. A. Mackinnon	807
	J. W. Jones	Prog.			
	P. S. Brown	Ind.			

SASKATCHEWAN

Assiniboia	O. R. Gould	Prog.	W. W. Lynd	O. R. Gould	3,702
	Hugh McLeod	Lib.			
Battleford	T. H. McConica	Prog.		T. H. McConica	7,598
	A. Champagne	Lib.			
Humboldt	C. W. Stewart	Prog.	Norman Lang	C. W. Stewart	5,573
	O. F. Meillicke	Lib.			
Kindersley	A. M. Carmichael	Prog.	E. T. W. Myers	A. M. Carmichael	10,916
Last Mountain	J. F. Johnston	Prog.	T. F. Thompson	J. F. Johnston	9,474
Mackenzie	M. N. Campbell	Prog.	W. D. Dunlop	M. N. Campbell	2,356
	Michael Clark	Lib.	Wasyl Swystun	Ind.	

*Constituency	Opposition Candidates	Politics	Government Candidate	Member Elected	Majority
Maple Creek	N. H. McTaggart	Prog.	D. J. Wylie	N. H. McTaggart	9,672
Moose Jaw	R. M. Johnson	Prog.	S. A. Hamilton	R. M. Johnson	929
	W. E. Knowles	Lib.			
North Battleford	C. C. Davies	Prog.	Harold Herbert	C. C. Davies	4,190
	W. W. Livingston	Lib.			
Prince Albert	A. Knox	Prog.	D. W. Paul	A. Knox	3,563
	L. W. Brigham	Lib.			
Qu'Appelle	John Millar	Prog.	E. E. Perley	John Millar	4,645
Regina	W. R. Motherwell	Lib.	M. A. MacPherson	W. R. Motherwell	1,778
	Hugh MacLean	Prog.			
Saltcoats	Thomas Sales	Prog.		Thomas Sales	3,349
	Thomas MacNutt	Ind.			
	H. H. Christie	Lib.			
Saskatoon	John Evans	Prog.	Hon. J. R. Wilson	John Evans	4,114
	P. D. Stewart	Lib.			
Swift Current	A. J. Lewis	Prog.	I. E. Argue	A. J. Lewis	5,625
	W. P. MacLachlan	Lib.			
Weyburn	John Morrison	Prog.	R. F. Thompson	John Morrison	4,096
ALBERTA					
Battle River	H. E. Spencer	Prog.	J. W. G. Morrison	H. E. Spencer	10,521
	H. V. Fieldhouse	Lib.			
Bow River	E. J. Garland	Prog.	W. R. Fulton	E. J. Garland	7,948
Calgary East	Wm. Irvine	Lab.-Prog.	A. L. Smith	Wm. Irvine	1,898
	Duncan Marshall	Lib.			
Calgary West	J. T. Shaw	Lab.-Prog.	Hon. R. B. Bennett	J. T. Shaw	16
	E. F. Ryan	Lib.			
Edmonton East	D. F. Kellner	Prog.	H. A. Mackie	D. F. Kellner	1,947
	J. A. Clarke	Lib.			
Edmonton West	D. M. Kennedy	Prog.	R. E. Campbell	D. M. Kennedy	1,408
	Hon. Frank Oliver	Lib.			
Lethbridge	L. H. Jelliff	Prog.	W. S. Ball	L. H. Jelliff	1,791
	J. E. Lovering	Lib.			
Macleod	G. C. Coote	Prog.	H. M. Shaw	G. G. Coote	4,319
	J. Fairhurst	Lab.-Ind.			
	J. E. Gillis	Lib.			
Medicine Hat	R. Gardiner	Prog.	W. McIntosh	R. Gardiner	7,597
	F. W. Gershaw	Lib.			
Red Deer	A. Speakman	Prog.	J. F. Day	A. Speakman	8,205
	W. W. B. McInnes	Lib.			
Strathcona	D. W. Warner	Prog.	J. McC. Douglas	D. W. Warner	4,394
	Rice Sheppard	Ind.			
Victoria	W. T. Lucas	Prog.	J. B. Holden	W. T. Lucas	9,622
	C. F. Connolly	Lib.			
Yukon	F. T. Congdon	Lib.	George Black	George Black	49

Opinions as to this sweeping action of the electorate were varied. Mr. Mackenzie King was assured as to its main significance: "The people want a return to representative and responsible government in the broadest sense of the term. They want a Government that will have a mind and purpose of its own, which it can carry out without compromise, or fear, or favour in any direction." Mr. Meighen did not express any immediate opinion of the result; the Prime Minister undoubtedly felt the loss of his seat, though many others were offered to him; the first Members-elect to suggest resignation in his favour being John Hubbs, Prince Edward County, Ontario, and General Clark of Vancouver. Mr. Crerar expressed himself as follows: "The practically clean sweep in the Prairie Provinces and the very emphatic majorities received, express in a very clear and definite manner the opinion of Western Canada. It was our first campaign in a National issue, and, while the returns from Eastern Canada did not come up to expectations, on the whole, I am well satisfied with the result."

*NOTE.—There were a few other candidates (Socialist, Labour, Independent, etc.) who were practically unsupported, and have been omitted here.

Press opinion of the result was at times illuminative, frequently partisan, often interesting. The Toronto *Globe* eulogized Mackenzie King, "whose very remarkable campaign in all parts of the country contributed more than anything else to the party's success," and described the result as "a popular uprising against autocracy." The Montreal *Star* described the causes of the Government collapse as follows: "The new leaders of the party have pursued a policy for the last few years that has driven from their side most of the powerful influences which have usually ranged themselves under the Conservative banner. This time the Railway interests distrusted and feared them. This time, British sentiment was not enlisted in their favour. This time, there was no reason why industry should dread a Liberal victory with Sir Lomer Gouin and his stalwart Protectionists at headquarters. The wonder is that they saved so much from the wreck. The cure is to get back to Conservative principles." In another issue it declared that Mr. Meighen, at the Imperial Conference, had estranged the British sentiment of Canada by becoming the principal public protagonist of the American policy of distrust and ingratitude toward Japan—a British ally.

The Ottawa *Journal* (Cons.) agreed with the Hamilton *Herald* (Ind.) in declaring that the Government—if credited with the record of the Unionist Ministry—was "the greatest in point of achievement" which Canada had ever had. There were tributes to the tremendous fight Mr. Meighen had put up against heavy odds, but the burden of the comment turned on Quebec. The Montreal *La Patrie* (Ind.) declared that the Government had been defeated "because, being a war Government, it remained autocratic after peace was restored; because, having no mandate, it made no progress toward reconstruction; because it was antagonistic to Quebec. The Province of Quebec is splendidly vindicated." *L'Événement* (Cons.) of Quebec City stated that: "The Liberal majority is small, but will increase rapidly because the country does not want another struggle like this one and is satisfied that Protection is secured, thanks to Sir Lomer Gouin's *bloc* of supporters." *La Presse* described it as a great Liberal victory and as a proof that Quebec could again take her rightful place in the government of the country.

The English-speaking press was tinctured at many points with suspicion as to the outcome along these lines. The Toronto *Mail and Empire* (Cons.) on Dec. 10 expressed grave fears as to Quebec ascendancy: "The question now is, are we to be governed on Canadian lines or just French-Canadian lines? Quebec is solid, and she is under the command of an able leader. Sir Lomer Gouin is suave, astute, and resourceful, and he is surrounded by a staff of political veterans." They were compared favourably with those surrounding Mr. Meighen and a long party reference followed as to the harm Sir W. Laurier had done to Canada in his Railway policy. The Winnipeg *Free Press,*

which was Liberal by tradition but Progressive to a considerable degree in this contest, was denunciatory of Quebec in its terms (Dec. 12), with the conclusion that: "Montreal district went solid for Sir Lomer Gouin, high protection, the rights of the Business Interests to control and administer the country and 'Down with Government ownership of railways.' " The Toronto *Telegram*, a journal of curiously combined Tory and Radical proclivities, declared that: "The defeat of the Conservative party is due to the French-Canadians of Quebec and the foreign vote on the Prairies." This contention was cleverly amplified in many references to Quebec as "avenging Laurier" or as obtaining its revenge for Conscription. The Toronto *Star* (Lib.) stated (Dec. 15) that "the financial group in Montreal betrayed Mr. Meighen but overplayed its hand"; the Winnipeg *Free Press* took a similar stand (Dec. 27) in respect to Mr. King's succeeding negotiations with the Progressive leader. The Orange *Sentinel* of Toronto (Dec. 20) was vehement in its outlook and conclusion that "French Canada is on top now, with a vengeance."

Formation of the New Government: Mackenzie King as Prime Minister.

Fortunately for Mr. King, in accepting the Governor-General's invitation to form a Cabinet after Mr. Meighen's resignation, he did not have to consider the Conservative point of view, nor did he seek any sort of alliance or understanding with that party. But the official call had not come immediately to the Liberal leader and, meantime, various personal negotiations were going on while the press was arranging and re-arranging the coming Government in varied forms with, however, a certain number of assumed certainties in popular selection. It was taken for granted that Hon. Mackenzie King would form the new Cabinet and that it would be practically settled, in detail, when the retiring Government had completed arrangements and the official invitation issued. The press in each Province had its favourites for choice with certain personalities upon whom all were united, such as Hon. W. S. Fielding, Hon. G. P. Graham and Hon. C. Murphy, Sir Lomer Gouin, Ernest Lapointe, Hon. H. S. Béland, Hon. R. Lemieux; W. R. Motherwell for Saskatchewan, A. B. Hudson for Manitoba, Walter Mitchell for Quebec, Senator Bostock for British Columbia, Hon. Charles Stewart for Alberta, Hon. W. E. Foster for New Brunswick. Others proposed were W. C. Kennedy, G. N. Gordon and W. D. Euler in Ontario, Hon. A. K. Maclean, and William Duff in Nova Scotia.

As the days developed toward a definite decision, there were many interesting incidents and speculations and some assured statements. On Dec. 9 a public Reception was tendered at Halifax to Mr. Fielding; more than 1,000 citizens shook hands with the prospective Minister of Finance and congratulated him upon the solid Liberal *bloc* from Nova Scotia. In a brief

speech they were told that: "I doubt if, even yet, the people of Canada realize the immense task which confronts the new Government. There is a danger that they may be expecting too much. Perhaps there is no country in the world, with the same population, that has so many governmental difficulties as Canada —differences between East and West, racial differences, differences in religion." He was, however, hopeful as to the outcome. The Toronto *Globe* on Dec. 14 had a conspicuously published declaration as to Mr. King's future policy: "First and foremost *The Globe* understands that he is aiming to give the country a national Government. In so far as it can be accomplished, the new Administration will represent in a real sense the whole people. Essentially, it will be democratic. x x x The principles and policies that the people endorsed at the polls will dominate and guide the Administration. Tariff revision will be essayed cautiously and justly. The enterprise of the Public ownership and operation of the National system of railways will be given a full and a fair trial. Rigorous economy will be practised." At Newmarket, on Dec. 14, the Premier-elect addressed his constituents and received an ovation.

Meanwhile, the press had begun to discuss alleged negotiations between Mr. King and Mr. Crerar which it appeared, later, were initiated in a letter borne to the Progressive leader by Andrew Haydon, the National Liberal organizer. It early appeared evident that Mr. Hudson, who had captured a strong Conservative seat in Winnipeg, who, probably, was the leader of the Bar in Manitoba and, at the same time, a close friend and legal adviser to Mr. Crerar, would not join the Cabinet without the latter's approval. Opposition to any *rapprochment* between the two organizations also developed with rapidity. First it was said to come from Protectionist Liberal sources and, especially, from Quebec Liberal leaders. Publicly it was expressed by Farmers' organizations such as the U. F. O., whose thousand delegates in Convention at Toronto (Dec. 14) passed the following Resolution: "That it is in the interests of Canada that the National Progressive Party should remain intact, and devote itself, earnestly, in the next Parliament to effecting by legislation the recommendations upon which it was elected." It was generally stated, at this time, that Hon. E. C. Drury, Premier of Ontario, was included in the negotiations, and the subject was discussed at an Ontario caucus of the Party on the 20th.

On the same day Mr. Crerar attended a private meeting at Saskatoon of the 33 Progressive members of Parliament elected from the West, and the matter was carefully discussed; nothing was made public except the fact of a proposition having been received with the statement that Mr. Calder would further consult the Canadian Council of Agriculture at Winnipeg and would then proceed to Ottawa, accompanied by Alfred Speakman, M.P., of Red Deer, and R. M. Johnson, M.P., of Moose Jaw. The

Winnipeg meeting took place on the 21st, with H. W. Wood, Hon. George Langley, J. A. Maharg, and other leaders present, but no announcement was made. Meanwhile, the Toronto *Globe* (Dec. 16) declared that Mr. King, in seeking the co-operation of Mr. Crerar, had done a statesmanlike thing; that isolation for the Progressives was unwise; that full Western representation in the Government was desirable, and that the invitation was an obvious proof of Liberal freedom from Big Interest control.

The reply of the *Farmers' Sun* (Dec. 17) was explicit: "The Farmers do not intend allying themselves with the Liberals any more than with the Conservatives. The *Globe* is on the wrong track when it tries to win the Farmers' Party to the anti-public ownership, high protectionist, Liberal Party." The Winnipeg *Free Press* (Dec. 17) opposed any combination or coalition unless Mr. King was prepared to carry out Progressive policies. On the 20th it declared that: "Mr. King is asking Mr. Crerar and Mr. Drury to take an immense risk. If matters work out all right he is the gainer; if they do not work at all Mr. Drury and Mr. Crerar will have eliminated themselves and the Progressive movement will have been blown to pieces." Miss MacPhail, M.P., was emphatic in her view, as expressed at Woodstock on Dec. 17: "We don't think Mr. Crerar will accept. But if Mr. Crerar does go into the King Cabinet it means that we must choose a new Leader." The *Alberta Farmer* of Calgary was also opposed (Dec. 22) to coalition: "By remaining absolutely independent and assuming a position where its support will be guaranteed for all good legislation, the Progressive party can serve its own and the country's cause best." On the other hand, the negotiations were warmly approved by the Regina *Leader*, an influential Liberal journal.

On Dec. 23 Mr. Crerar was in Toronto consulting Mr. Drury and the Ontario leaders; he was accompanied by Messrs. Johnson and Speakman and Robert Forke, a Manitoba M.P. On the 24th he held a long conference with Mr. Mackenzie King at Ottawa, and on the 25th the press reported that there would be no Liberal-Progressive combination. The Winnipeg *Free Press* (Dec. 27) declared that the only condition under which the negotiations could have succeeded was "a certain fundamental identity of belief and outlook which would make the coalition the forerunner of a merger." J. J. Morrison issued a statement to the *Farmers' Sun* (Dec. 28) that: "Mr. King's attitude appears to be for political rather than National advantage. If Mr. King gives good government, the Progressive forces will not embarrass him. If he does not give good government, they certainly will, so far as lies in their power. x x x But the U. F. O. cannot be the discredited adjunct of the Liberal Party." The *Sun*, itself, declared that merging with either of the old parties would mean "the death of the Farmers' movement," and that they did not intend to "pull the chestnuts out of the fire" for Mr. King.

Meanwhile, Mr. King had other matters to consider, and one notable viewpoint was expressed by *La Presse,* the most influential Liberal journal in Quebec, which (Dec. 20) announced that: "Since the country has decided to associate Quebec Province in the work of economic reconstruction of Canada x x x Quebec demands that there be given to her representatives in the Federal Parliament their fair share, their whole share, of influence. And this influence should be measured not only by the number of portfolios, but also by their importance. The 'big interests' of Ontario, whose greed is limitless, may not agree with this claim." During this period the Premier-elect had been meeting and consulting all the more distinguished Liberals in the country, and Ottawa was, for the moment, a sort of political Mecca. On Dec. 29 the Meighen Government resigned office, the Hon. Mackenzie King accepted the call of the Governor-General and was sworn in as Prime Minister of Canada and at once issued a statement together with the announcement of his Cabinet.

In this document the new Premier stated that: "In the formation of the Government I have aimed, above all else, at National unity. This end I have felt would be served, and the Federal spirit of our constitution most acceptably recognized, by according representation in the Cabinet, so far as might be possible, to all the Provinces of Canada." A careful reference to the Progressives followed: "I made known that, regardless of existing differences, I was prepared to consider representation in the Cabinet of all who were prepared to advocate and support Liberal principles and policies; while it was felt by those with whom I conferred that existing conditions would not permit of representation of their followings on this understanding, I have reason to believe that the attitude assumed by myself in this particular was duly appreciated and met in like spirit."

As to the new Cabinet, he announced that (1) the size had been reduced from 22 to 19; that (2) "the allotting of portfolios to members of the Senate will not be continued as a practice and, except for very special reasons, Ministers of the Crown holding portfolios will hereafter be selected from members of Parliament occupying seats in the House of Commons"; that (3) "the Departments of Militia, Naval Service, Air Force, and possibly also Mounted Police, are to be combined in one Department of National Defence"; that (4) early consideration "will be given by the new Administration to the desirability of appointing, in an honourary capacity, from among members of the House of Commons, Parliamentary Under-Secretaries to assist the Ministers during the Parliamentary Sessions". It was, also, stated that Senator Bostock's appointment was temporary, and that he would be the next Speaker of the Senate; that the Hon. Raoul Dandurand would, probably, be the Government leader in the Senate; that Hon. R. Lemieux would be the Government candidate for Speaker of the Commons. The Cabinet, as announced, was as follows:

Prime Minister, Secretary of State for External Affairs, President of the Privy Council	Hon. William Lyon Mackenzie King, C.M.G., PHD. LL.D.,
Minister of Militia and Defence, and Minister of the Naval Service	Hon. George Perry Graham
Postmaster-General	Hon. Charles Murphy, B.A., K.C.
Minister without Portfolio	Hon. Thomas Andrew Low
Minister of Railways and Canals	Hon. William Costello Kennedy
Minister of Labour	Hon. James Murdock
Minister without Portfolio	Hon. Raoul Dandurand, LL.D., K.C
Minister of Soldiers' Re-Establishment, and Minister in charge of the Department of Health	Hon. Henri Severin Béland, M.D,
Minister of Justice	Hon. Sir Lomer Gouin, K.C.M.G..
Minister of Customs and Excise	Hon. Jacques Bureau, LL.B.
Minister of Marine and Fisheries	Hon. Ernest Lapointe, B.A., K.C.
Minister of Trade and Commerce	Hon. James Alexander Robb
Minister of Finance	Hon. William Stevens Fielding,
Minister without Portfolio and Solicitor-General	Hon. Daniel Duncan McKenzie,
Secretary of State	Hon. Arthur Bliss Copp, LL.B.
Minister without Portfolio	Hon. John Ewen Sinclair
Minister of Agriculture	Hon. William Richard Motherwell
Minister of the Interior, Superintendent-General of Indian Affairs, Minister of Mines	Hon. Charles Stewart
Minister of Public Works	Hon. Hewitt Bostock, M.A.

The Cabinet was thoroughly representative of Canadian Liberalism in thought and action, and included many of those who had borne the brunt of the battle for this political faith in recent years. Mr. Lapointe, Mr. Graham, Mr. MacKenzie, Mr. Low, Mr. Robb and Mr. Murphy all entered the House of Commons between 1904 and 1908; Mr. Fielding dated back to 1896, when he left the Premiership of Nova Scotia to join the Laurier Cabinet, while Mr. Béland had been elected in 1902 and Mr. Bureau in 1900; Sir Lomer Gouin, Mr. Stewart, lately Prime Minister of Alberta, Mr. Kennedy, Mr. Motherwell and Mr. Murdock were new to the Commons, while Mr. Bostock had been in the Senate since 1904; Mr. Copp and Mr. Sinclair were comparatively new but energetic members of the House. The new Prime Minister had distinguished himself in several fields. As a young man he won the University prizes of M. A. and Ph.D.; as Deputy Minister of Labour, Chairman of various Royal Commissions, Minister of Labour in 1909-11, and Special Commissioner under the Rockefeller Foundation, he had won high repute as an expert in Labour and industrial matters; as representative of Canada on various Immigration Commissions, he had done good service and won a C. M. G. from the Imperial Government; as President of the Ontario Reform Association in 1912-14 and as Dominion Liberal leader for some years and member of Parliament in 1908-11 he had won political distinction; as the Author of two books—*The Secret of Heroism* and *Industry and Humanity*—he had obtained literary reputation. Now, at the age of 47, he was Prime Minister of Canada.

Meantime, the Progressive leader had announced that his party would not take the position of an official Opposition, nor would he accept the salary which might go with the post of Opposition leader; the Progressives would adopt an independent stand from which they could watch Government legislation and support it so long as it was upon lines of Progressive thought. Mr. Meighen was in a peculiar position and, except by special action, could not lead his Party at the opening of Parliament; there had to be a resignation or the appointment of some member to a salaried post under the Crown before he could be elected. On Dec. 27 it was announced that the Government, before giving up office, had appointed A. C. Casselman, member-elect for Grenville, to a nominal position in the Department of Soldiers' Civil Re-Establishment at a salary of fifty dollars a month. This vacated the seat, in which the bye-election was at once appointed for Jan. 26 of the following year; a little later ten seats were vacated by the appointment of the new Ministers and bye-elections appointed for Feb. 2nd following.*

*Note.—Mr. Meighen was opposed but elected in Grenville, and all the Ministers were returned by acclamation.

PROVINCIAL AFFAIRS
IN
ONTARIO

The Drury Government in Ontario: Policy and Administration in 1921.

The Government of the Hon. E. C. Drury passed through the year with surprisingly little political trouble, despite its lack of an actual majority in the Legislature—though the United Farmers were nearly double the number of any other Party in the House; the experience of two years seemed to show no desire on the part of Liberals and Conservatives to unite against the Government while, as a rule, the support of the 14 Labourites was assured. Mr. Drury, during the year, took an increasing interest in public affairs outside of routine administration or Legislative debate. He spoke on various subjects and shared actively in the Federal elections, with a number of speeches on the Crerar platform and with Mr. Crerar in his Ontario tour; more and more he urged avoidance of class consciousness and division on class party lines. He was understood in December to have declined a place in the new Liberal Government at Ottawa.

At St. Thomas, on Jan. 4, he told the Chamber of Commerce that: "There is room in Ontario for the growth of a new political movement, but it must not be confined to any class or classes." He repeated his well known views as to Canada's unique position in respect to the United States and Great Britain, and likened the Dominion to a connecting link between the Republic and the Empire. He classed all efforts to stir up the English-speaking citizens of Canada against the French-Canadians as rank treason, and appealed for a union of the races: "Canada has too much at stake to allow such divisions to develop; the community spirit should be encouraged in every way between rural districts and the small towns and villages and less attention be given to the development of the cities." He favoured strict Immigration laws and deprecated the Informer, or spy system, in respect to Motor laws and other Acts.

To the Canadian Club, Hamilton, (Jan. 10) the Premier claimed that the Farmer movement, which had spread from coast to coast of the Dominion, was not born of political ambition, but rather of a determination to better rural conditions. That was, he declared, the original aim of the movement, and its success in Ontario in the last Provincial election was far greater than its friends had hoped for. He reiterated a theory voiced at the St. Thomas meeting: "The nation that succeeds in reducing the cost of living to the lowest possible level and, at the same time, raises its standard of living to the highest plane, will be numbered amongst the greater nations in the near future." Referring to the depopulation of rural districts, Mr. Drury said that the causes were economic chiefly: "The isolation of farm

life, its difficulties and lack of conveniences and comforts, all contribute to the migration of farmers to the cities."

An earnest plea for better Educational facilities for rural districts was made: "The isolated country school is unsatisfactory. Present facilities provide for only primary education, and provision should be made for some form of secondary training, with the establishment of High Schools in the country, wherever there is need for them." At Queen's University, Kingston, on Jan. 12, Mr. Drury received an Hon. LL.D., and expressed appreciation of the work done by small Universities as being worthy of the definite support of the Province. In another speech he urged the duty of preserving forest lands, and added: "The time is not far distant when Canada will be faced with a timber shortage; the remedy is the re-afforestation of old deserted land in Old Ontario and new lands in Northern Ontario. The policy of the Government as to lands fit only for timber is that the municipalities should acquire them and the Government re-afforest them at its own expense—carrying the burden until the municipalities are ready to assume charge."

The Drury-Morrison Controversy and the Government. At Milton, on Jan. 14, an issue of the previous year was revived and the "broadening out" policy for his party enunciated in clear terms: "The Farmers cannot, and ought not to, rule the country. To do so would be a sort of tyranny. We are in a minority, and we must not attempt to do it because we are a democracy. x x x I believe the Farmers' organization should not go into politics as an organization. It has altogether too great a work to do in other directions to risk its life or waste its energies by participating directly in politics." Interviewed by the Toronto *Globe* (Jan. 17) Mr. Drury was still more explicit: "The political organization born of the United Farmers of Ontario must live its own life distinct from that of the parent. It is a well-known and established fact that the Farmers have enunciated a platform which appeals to other classes in the community besides the farmers. In this new political movement the Farmers will always have an honoured and powerful place. But to refuse to men and women of other classes, or other industries, an equal place in this political movement would be to rouse against it all the animus which would undoubtedly be directed against a class movement, and would predestine it to a short and ineffectual life." Meantime, at Wilton Grove (Middlesex), on Jan. 15, J. J. Morrison, the Secretary and an aggressive leader of the U .F. O., made a fighting speech in opposition to the Premier's statement and policy:

The Farmers organization did not go into politics. The people went into politics. The movement originated when the Farmers went in a deputation to Ottawa to wait on the Government and they learned just where they stood (*re* Conscription of Farmers' sons). They marched to the Parliament Buildings and demanded their rights, but they did not get them. Then they went into Manitoulin Island and the people elected Beniah Bowman. That was democracy. There is not a word

in the constitution of the U. F. O. about politics. If the farmers had not gone into politics would Mr. Drury have been where he is to-day? Absolutely not. If Mr. Drury felt like that why did he accept the Premiership when it was offered to him? If he could not subscribe to our principles why did he accept the Premiership of our Government? Is he ashamed of the people who made him? x x x The Farmers don't want to rule the country. They went into politics only for equal rights and a fair representation for their organization. But when we got into the race and elected more than we expected we had to go through with it, accept the responsibility, and take our place in charge of Government. But the Premier says we are in a minority and must not attempt to rule, because we are a democracy. If this is the doctrine that is to be circulated from one end of the Province to the other, there is going to be something doing very soon.

This difference of opinion and view excited much interest, and on the 18th a Government caucus, including the Farmer and Labour members of the Legislature, met and discussed the issue; a unanimous vote of confidence in the Premier was passed, though without any direct reference to the question involved. The *Farmers' Sun*, of Jan. 19, followed in defence of Mr. Morrison's views, though with the claim that both leaders were aiming at the same end by different methods. Mr. Drury was described as willing to take in other organizations holding similar opinions and going forward together as a new People's Party; Mr. Morrison was described as desiring the farmers to develop a class consciousness, to organize as a Group and to work for Group government, but to be willing, after the end was achieved, to co-operate with other Groups. As to the rest: "We admit that the Drury Government would be strengthened, temporarily at least, by bringing in members from other classes, or by attracting recruits from the Liberal and Conservative members of the present Legislature. But the Organized Farmers are not concerned, primarily, with obtaining power. They went into politics in order to obtain their just rights, and it makes very little difference to them whether they hold the reigns of power or merely hold the balance of power. The majority of the U. F. O. believe that more good can be accomplished by the farmers retaining their class consciousness, or class identity, than by merging with others."

R. W. E. Burnaby, President of the U. F. O., supported Mr. Morrison in an interview in this journal, and described Mr. Drury's Milton speech as savouring of autocracy rather than of democracy; W. A. Amos, Vice-President, expressed similar views, and declared that the farmers had been driven to the formation of a class movement for self-defence against highly organized bodies in other walks of life; Lieut.-Col. J. Z. Fraser, President of *The Farmers' Sun*, stated that Mr. Drury was being "unwittingly used as an instrument of destruction" in respect to the Farmers' movement. W. C. Good, of Paris, afterwards elected to Parliament at Ottawa, as a Progressive, wrote *The Globe*, on Jan. 21, that: "We have now quite a number of political 'groups,' and surely it is a denial of democracy to refuse these groups representation. With Proportional Representation

we may reasonably look forward to a Legislature containing representatives of all the principal political groups in proportion to their respective voting strengths, and these groups may be based either upon occupations or upon adherence to certain political ideals."

A special meeting of the United Farmers' Executive occurred in Toronto, on Jan. 19; Hon. F. C. Biggs, Hon. Peter Smith and Hon. Beniah Bowman of the Government attended, and told the members about the Government policy—especially as to Roads, Finance and Forests. On the 20th Mr. Premier Drury attended another meeting of the Executive, and for some hours (according to *The Globe*) discussed matters with Mr. Morrison. No report was issued, but it was stated that an amicable understanding had been arrived at; succeeding speeches, however, did not show any approximation in view. Mr. Morrison, on the 21st, told the Electric Club in Toronto that it was natural and right for the Farmers to enter politics: "Is class consciousness wrong? No; it is absolutely right. Why are you here as an Electric Club? It is because you are class-conscious in your business. Every industry is class-conscious. If you see a nation which is not class-conscious you will find it at the fag end of civilization." In the Legislature, on Jan. 31, Mr. Drury was equally explicit: "When I was asked to lead the U. F. O. forces before the last Election I stipulated that it should not be a class party. To-day I state in the most unequivocal terms that the Government of which I am the head represents in a very real way not merely that 40 per cent. of our people who live on the farms, but also the great bulk of the people of the Province. I believe that this party may expand and become in a very real sense, not a Farmers' Party, but a People's Party. On that declaration I make my stand to-day, as I did a year and a half ago."

This subject came up, again, later in the year, when Mr. Morrison was interviewed by a New York journalist (unnamed) with his statements appearing in the *Farmers' Sun* of Aug. 27. In it the U. F. O. protagonist denounced the two-party system, Orders-in-Council, Closure Acts, Government Commissions, and then gave his practical view of Group government: "You have a Legislature of 110 members, and there are 28 Liberals, 27 Tories, 44 United Farmers and 11 Labourites. Let a Cabinet be formed with a nearly equitable allotment of seats, giving the Liberals two, the Tories two, the United Farmers four and the Labourites one. That would preserve the balance of members in the House, give fair representation, with no party dominant, and the actual leadership going to the largest party, which would be the United Farmers. Then, when any member brought in a Bill it could be openly debated on its merits and carried, or lost. If lost, it would not mean the defeat of an Administration—simply the defeat of the measure. This would be real group government, and would not lend itself to the auto-

cracy of leadership, where the party is whipped into line to accept this measure or that." *The Globe* (Sept. 15) criticized this proposal as follows: "The inevitable result would be the consolidation of town against country—the organization of an Urban group to oppose the Farmer group. The substitution of an occupational class struggle for the political party rivalries of the past would be far more likely to produce economic chaos and Governmental inefficiency than the old-time strife between Liberals and Conservatives. We see in Russia the results of an attempt by a single occupational group—the manual workers—to rule the country."

Political Issues and Administration. Mr. Drury had his own ideas about other matters, and one was the question of Unemployment, which came up in the Legislature on Feb. 7: "The problem has given the Government serious concern. There are some who think the Government has nothing to do but create work. That is not true. The credit of Ontario is not unlimited. Two millions per month is being spent on the Chippawa scheme alone—a very considerable expenditure—which is helping a large number of men. I am convinced, however, that with all the work the Government might plan it could not do enough to wipe out the unemployment situation. x x x There is no unemployment in rural districts, though farmers are getting less for their products. If prices of other products were cut in half there would be no unemployment in other lines of industry either." He was in favour of the Referendum and the request to Ottawa to abolish the right of importation into the Province. To the Toronto Referendum Committee (Feb. 10) he stated that there had been a persistent attempt to discredit the law, and there was a feeling of discouragement which had been assiduously cultivated by enemies in order to weaken the *morale* of the Temperance forces: "We recognize at the present time we have a trade in liquor within the law, but constantly threatening to be without the law—a trade most difficult to regulate and control."

At Barrie, on Apr. 10, the Premier spoke on this subject in three local Methodist churches, and expressed some strong opinions as to the coming vote: "If you favour law and order as against a condition of anarchy, in respect to the Ontario Temperance Act, and are in favour of putting an end to this outlaw traffic, vote for the doing away with importation of liquor. This vote is not on Government control, but a vote between law-breaking and law-abiding people." On June 9 Mr. Premier Drury shared with Mr. Premier Taschereau of Quebec the compliment of receiving an Hon. LL.D. degree from the University of Toronto—the second honour of this kind within six months. He was at Richmond Hill on June 10, and addressed a U. F. O. gathering, with a strong protest against Dominion policy in the Lake of the Woods matter and with a notable reference to the Morrision-U. F. O. situation.

Claiming to be one of the pioneers of the Farmers' movement, Mr. Drury declared that the political end of the U. F. O. was to see that citizens were clear-thinking and well-informed on matters of public moment, and did not vote with machine-like regularity for one particular party or another: "That is why the movement should be an expression of the opinion of all classes, and not only of farmers. We must get away from blind party loyalty. We, for instance, want the loyal support of those of our people out in the country, but only so long as we merit it. We want intelligent support—not blind factional support." In the middle of the year (June 18), after the Premier had been guiding the public affairs of the Province for more than a year and a half, the Toronto *Star* (Lib.) paid him this tribute: "Mr. Drury has been in the position of Prime Minister of Ontario for a length of time sufficient to establish the fact that he has a remarkable capacity for the work of government." During this period "he has demonstrated that he possesses to a rare degree the combination of qualities requisite to success in the realm of politics. Mr. Drury's mind goes unerringly and with almost uncanny quickness to the heart of a problem. He thinks clearly and expresses his views lucidly."

Speaking at Dufferin County picnic, on June 23, the Premier handled the Hydro-Radial proposals without gloves. He did not want a repetition of the Chippawa Canal affair, which started out as a 10-million dollar expense, was raised to 20 million, had now a record of 45 million spent on it and would require another 10 millions to bring it to completion: "The Hydro-Radial scheme presents itself as a 50-million dollar proposal. If it increases in the same way as the Chippawa Canal, the Province would soon be bankrupt." At Windham Centre (July 1) he defended the Government's expenditures as wise, the increase of $5,000,000 in the year as necessary, the revenue as growing equally with the expenses. Labour matters came up for continuous discussion during the year. Mr. Drury did not believe in wholesale Government aid to meet unemployment conditions, but was ready to discuss practical and helpful steps. On July 20, when representatives of practically every group of industries in the Province conferred with the Premier, and the members of his Cabinet, for a solution of the problem, he proposed that a Committee be appointed, as a sort of investigating and advisory body, with representatives of all the interests concerned. On Aug. 12 the Committee was constituted as follows: Agriculture, W. C. Good, Paris; Finance, D. A. Cameron of the Bankers' Association; Soldiers, W. E. Turley, of the G.W.V.A.; Labour, John Doggett, of the Building Trades Council; Merchantile, C. E. Marriott, Toronto Board of Trade; Builders' Exchange, George Gander; Retail Merchants', R. F. Fitzpatrick; Canadian Manufacturers' Association, J. E. Walsh, General Manager. Later on, this Committee issued a series of advertisements in the press, which were published under the Govern-

ment's authority, and which offered advice and suggestions of more or less value.

The Labour forces, meanwhile, had stood by Mr. Drury in the Legislature, and, on Aug. 16, the Premier told the Railway Carmen Convention that the Farmer-Labour Coalition in Ontario was stronger than when it was formed: "It is proceeding along reasonable, sane and advanced lines, and is able to give to the Province something of progressive legislation and to serve the needs of the citizens." At the same time, he urged them to remember that: "The man who can be loyal to a class has made a decided advance over the man who is loyal only to himself; but that man, in any organization, or any class, will fall short if he forgets, in striving after the interests of his own class, the larger interests of the community." During the past two years his Government had put through much legislation: "Some of it has been termed distinctly Labour legislation, and yet nothing that has been put through has benefitted either the Labour class or the Farmer class at the expense of any other class of the community."

In this connection the Hon. W. R. Rollo, Minister of Labour, issued, during the year, the 1st annual Report of his Department. It dealt with 1920 events and the administration of the Stationary and Hoisting Engineers' Act, the Factory Shop and Office Building Act, the Employment Agencies' Act, the Steam Boiler Act, and the work of the Ontario Offices of the Employment Service of Canada. To these latter Bureaux (numbering 34) there applied during the 12 months ending Oct. 31, 1920, 175,925 men and women seeking employment, while employers asked for 172,767 persons during the same period, and confirmation of placement was received in the case of 110,485 men and 8,250 women; these figures did not include casual placements of 17,117.

The Minimum Wage Board, created in 1920, did good work in that and the succeeding year. Its objects were explained at a Toronto dinner on Feb. 18 by its Chairman, Prof. J. W. Macmillan: "The value of human life applied to business is the underlying principle of Minimum Wage legislation. To sum it up, concisely, the employers are asked to give their employees, in return for their labour, means to provide enough to eat, enough for clothing, and enough to allow of proper recreation. A Minimum Wage Board is not authorized to fix wages, it only fixes the line below which wages cannot go and which is controlled by the demands of a decent living." The speaker explained that all women in the Province, working in any but agricultural or domestic occupations, were under the Board's jurisdiction. Its other members were R. A. Stapells, Mrs. H. W. Parsons, H. G. Fester, and Miss Margaret Stevens—the two latter representing Labour. During 1921 a number of occupations were investigated and dealt with.

On Mch. 4 the Board announced that, as a result of recent enquiry into the wages paid women-workers in laundries, dye-works and dye-cleaning establishments in Toronto, the Minimum Wage in future for experienced hands would be $12.00 weekly, and for inexperienced workers of 18 years of age or over it would be $10.00 a week for the first three months and $11.00 a week for the 2nd three months. Young girls under 18 years of age were to receive at least $9.00 a week for the 1st six months, $10.00 a week for the 2nd six months, and $11.00 a week for the 3rd six months. The next matter dealt with was that of wages for female employees of confectionery and paper-box industries and female retail clerks; the decision finally reached stipulated a $12.50 per week Minimum Wage for experienced Toronto adult female employees in all these cases. For inexperienced female employees the minimum was as follows: 1st six months, $10.00 per week; 2nd six months, $11.00; young girls, 1st six months $8.00 per week, 2nd six months, $9.00 per week; 3rd six months, $10.00 per week.

In October orders were issued as to female factory workers (1) in cities with population of 50,000 or over (Toronto specifically excepted) and (2) in centres with populations below the 50,000 mark. The rates ran very much as above, with $11.50 as the Minimum for all experienced employees over 18 years of age. Inexperienced rates were as follows, with the amount in brackets applying to cities of over $50,000: Inexperienced Adults, not less, per week, than $9.50 ($9.00) for the 1st six months, and $10.50 ($10.00) for the 2nd six months; Young girls, not less, per week, than $8.00 ($7.00) for the 1st six months, $9.00 ($8.50) for the 2nd, and $10.00 ($10.00) for the 3rd six months. These orders were subject to slight variations, but they afford a general idea of the Board's policy.

The first (1921) Report of the Minimum Wage Board stated that during its 10 months 102 meetings had been held, and that its first tasks were largely exploratory with rules for guidance necessary and few statistics of value available. The statement was made that: "The Board, though composed of members drawn from widely different classes of the community, and possessing greatly divergent interests, has been able to act in constant harmony. During the whole period of its activity, it has not once divided upon any question representing the usual contentions between capital and labour." The work already mentioned was reviewed at length, and figures as to cost of living for individual workers and families were elaborated; questions as to operation of the Orders, and enforcement of regulations, problems as to hours and reduction of wages, co-ordination with other Provinces, were discussed.

The Workmen's Compensation Board—Samuel Price, (Chairman), George A. Kingston, Commissioner, and N. B. Wormuth, Secretary—reported for 1920 that $7,780,145 was the total of benefits awarded in the year, compared with $4,192,859

in 1919; that the total number of accidents was 54,851, as against 44,260 in 1919. The average rate of assessment, for all Industries, paid by employers in Ontario each year since the commencement of the Act was stated as follows: 1915, $1.27; 1916, $1.09; 1917, $0.99; 1918, $1.09; 1919, $1.22; 1920, $1.25. Of the Assessments collected in Ontario during 1920 only 1·53 per cent. went toward expenses. During 1921 the Government was urged to appoint a Labour member of the Board in place of the late Alex. Wright; a Deputation of the Dominion Trades and Labour Congress waited upon the Premier in August and urged action; on Oct. 15 the appointment of H. J. Halford, of Hamilton, Vice-President of the Trades Congress, was announced. It may be added that in April Capt. C. W. E. Meath was appointed Superintendent of the Ontario Government Employment Bureaux.

The Provincial Secretary, Hon. H. C. Nixon, had a Department replete with business of a statistical kind and with administrative details which touched human nature in many special aspects. To him the Bureau of Municipal Affairs reported as to Municipal statistics of the Province, and J. A. Ellis, Director, was up-to-date with his figures for 1921, showing organized municipalities in the Province as 911 in number, of which 557 were townships, 149 villages, 143 towns, 24 cities, and 38 counties; the rural population was 1,031,054, the urban total 540,538, and the city population 1,166,815. Other data for 1920 showed a rural assessment of $731,404,122, urban $291,190,837, city $1,203,216,900; municipal taxes totalling $12,381,628 rural, $7,108,828 urban, and $28,905,514 city; school taxes totalling, respectively, $6,911,230, $4,108,815 and $12,856,938; a Debenture Debt of $13,086,312 rural, $37,328,734 urban, and $210,469,968 city. The Taxable real property was given as follows:

	Land	Buildings	Exemptions;
Rural	$ 518,225,901	$200,874,000	$ 65,508,257
Urban	83,447,988	167,098,018	44,333,917
Cities	515,032,487	497,710,582	204,144,234
Total	$1,116,706,376	$865,682,600	$313,986,408

During the year Mr. Nixon made a canvass of Muncipal Councils for advice on the question of extending the municipal franchise to a greater number of people. Mr. Ellis also submitted to this Minister an elaborate Report on Housing as developed during 1921, with 10 cities, 5 towns, 2 villages and one township coming under the Municipal Housing Act and receiving Government guarantees for $1,566,000 of debentures and 99 Municipalities passing By-laws and appointing Housing Commissions under the Ontario Housing Act. Of the latter 72 had constructed houses at an estimated decrease of 20 per cent. in cost from the prices of 1920. The amount secured from the Dominion for these purposes was $8,750,000, which was to be loaned to Municipalities at 5 per cent.; in 1919-20-21 the total so loaned in Ontario was $7,768,018, with $256,343 used in the

purchase of land; up to the end of 1921 $652,316 had been repaid in monthly payments to the Provincial Treasurer, $197,143 in excess of amounts due, and $167,842 for Interest; out of 73 Municipalities only 4 were in arrears.

The 35th Report of the Commissioners for the Queen Victoria Niagara Falls Park—P. W. Ellis (Chairman); G. H. Wilkes, Brantford; L. Clarke Raymond, K.C., Welland; W. L. Doran and Dr. H. Y. Grant, Niagara Falls; J. D. Chaplin, St. Catharines, and Hon. F. C. Biggs, Toronto—was presented to Mr. Nixon on Apr. 28. It included a history of the organization, formation and development of the Park and its total of 1,511 acres vested in the Commissioners; a reference to the $200,000,000 annual tourist traffic of the Continent, and of which, it was claimed, at least one-half should be directed to Niagara Falls, with the additional statement that the tourist traffic of all Canada did not exceed $15,000,000 a year; the financial statement showing Receipts (1920) of $578,991 and Expenditures of $174,844 on Capital account and $301,115 on Maintenance account. The Provincial Municipal Auditor reported to the Provincial Secretary, as did the Inspector of Prisons and Public Charities—Alex. MacKay, M.D. The latter dealt with the year ending Sept. 30, 1920, and 104 Public Hospitals, which included 10 Consumptive Sanatoria and 133,975 patients under treatment during the year, Provincial grants of $572,130 and a total received from other sources of $6,292,034, with subscriptions, donations, etc., of $912,334 and a total expenditure of $8,086,817, including $1,015,305 on capital account. There were, also, 42 Private hospitals, 40 refuges, 30 orphanages, 3 Convalescent Homes and 31 County Houses of Refuge.

Of the other Ministers, several are dealt with, separately, in respect to Agriculture and other important subjects. The Hon. Beniah Bowman, Minister of Lands and Forests, was greatly interested in re-afforestation. His policy in New Ontario was to grant no land to settlers that was not 50 per cent. agricultural; he addressed a number of meetings during the year on these subjects. At Napanee, on Feb. 6, he told of the wealth of pine and pulpwood, and of fertile lands in Temiskaming, which were already cleared and fit for farming. It cost much, he pointed out, to build roads in a new, rough land like this, but they must be built or the country would never be developed. Farther north, beyond Temiskaming, the pulp industry flourished and great pulp mills were in operation—the largest of them turning out 750 tons, or a whole trainload, of pulp each day. Under Government restrictions the pulpwood cut on Crown lands had to be converted into pulp or paper before it was exported into the United States. The Minister pointed out that, in some parts, timber was wasted if not cut before it died, while in other sections much was lost through wasteful methods of cutting. Land was cleared that should never have been cleared, and great forest fires were allowed to ruin thousands of miles of valuable timber.

Great piles of débris left in large areas of standing timber were ready fuel for the flames: "In order to prevent the further destruction of our pulp and lumber industries a better system of fire prevention is being adopted, and a better system of supervising tree cutting is being introduced, so that young growths will come on, and areas will be cut in rotation. Scalers and check scalers, who are under no obligation to the Lumber companies, will check the cutting as well as the sale of lumber and pulpwood. Then in every County in Old Ontario the vast areas of waste land should be made use of. Trees must be planted where nothing is now growing, so that the generations of tomorrow will have lumber and forests." The Minister's Report for 1921 was not available at time of writing (June 27, 1922), but his 1920 Report showed 72,591 acres of Crown Lands sold for $69,956, with 10,688 acres leased for $2,155; the issue of Crown patents for Free grant lands totalling 53,295 acres; a revenue of $2,911,047 and disbursements of $1,624,805; a report as to Forest fires originating from Railways, which showed 49·5 per cent. in 1917 and 23·9 per cent. in 1920.

There were several other Provincial Government Commissions. The Temiskaming and Northern Ontario Railway Commission had a very favourable Report for the year of Oct. 31, 1920, with gross Revenues of $4,187,573, as compared with $3,207,708 in 1919—an increase of nearly a million dollars; Expenditures on way and track maintenance were $813,763, as compared with $718,431 in 1919; rolling stock maintenance cost $770,620, as against $594,401. Early in January the appointment of George W. Lee, as Chairman, was announced, in succession to J. L. Englehart, who passed away a few months later leaving this Government Line as his monument. The Government was urged, at this time, to extend the T. & N. O. by a branch line across the mineral region between Sudbury and Porcupine, and a large Delegation pressed the proposal on the Ministers on Mch. 18; the plan was for a 90-mile Railway serving the areas of Metatchewan, Gowganda and West Shining Tree. Action of some kind was promised. On June 21, the Commission was reorganized by the Government with the appointment of Col. John I. McLaren, of Hamilton, and Lt.-Col. L. T. Martin, of Ottawa, to the vacant positions on the Board.

A trip of inspection through Northern Ontario by the Commissioners followed, with a recommendation to the Government to place on sale, through the municipalities of the North, the entire number of lots, between six and seven thousand, which the Commission held outside of its right of way. As Government property, these were not assessable, and there had been a series of protests from the municipalities in which they were located. An immediate extension of the T. & N. O. was announced on Sept. 9, by Mr. Premier Drury, along a 70-mile right-of-way northward out of Cochrane to Smoky Falls, with estimated costs of $3,500,000. The Commission, on Dec. 12, an-

nounced the conclusion that electrification of the Railway was an economically and commercially sound proposition, and worthy of close investigation, and that a complete enquiry would be made into the matter. For the year ending Oct. 31, 1921, the gross earnings of the Railway were $4,680,615, while the gross expenditures were $4,498,836. Of the earnings $3,047,925 was from freight, while the passenger earnings amounted to $1,-223,387 and express earnings were $150,072. The bulk of the expenditure was on transportation, which cost $2,223,213.

The Commission relating to and administering the Mothers' Allowance Act reported for the year ending Oct. 31, 1921, an expenditure of $774,667, with 2,670 families benefitting under the Act. The 3rd annual Report of J. M. McCutcheon, Civil Service Commissioner, dealt with the new standardization of salaries as having been beneficial, the Superannuation Act, which became effective on June 15, the general increase in salaries given during 1920 on the basis of the new classification, and a "consistent and resolute application of the merit principle in making appointments and in determining promotions, transfers and salary increases." The Public Service Commission, appointed in 1920, and composed of W. D. Gregory (Chairman), H. L. Brittain, Norman Sommerville, Albert Hellyer and E. A. Pocock, did much work during 1921, made elaborate enquiries and submitted five Interim Reports.

The first of these documents dealt with Coroners and their duties, and made a series of recommendations. A second reported as to Issuers of Marriage Licenses and advised that the Clerks of all municipalities and, in unorganized districts, the Police Magistrates, be given this power; that the legal age of marriage in the man be raised to 21 years, and that both parties should appear personally; that power of enquiry under oath be given to the Issuer of Licenses, and that the Fee be placed at $5.00, of which $4.00 should go to the Government. A third treated of Police Magistrates, and recommended that the work be performed by men specially qualified and giving their whole time to the business; that payment by fees be abolished, and that salaries of District Police Magistrates be fixed by the Government with one-half paid by the Province and one-half by the Municipalities; that the name be changed to Provincial or District Magistrates, and that they be not members of Police Commissions.

A fourth dealt with Sheriffs—their history, position, functions and duties. A majority of the Commission (Messrs. Gregory, Britain and Pocock) described the position of Sheriff as "a dying office," and added: "The Sheriffs appear to be well paid for what they do, but they have so little to do that they cannot earn a living income. Many of those who receive Government grants are overpaid for the comparatively little work that they perform. No business could exist if it had to pay so many officials for such a limited amount of work." The Com-

missioners reported a list of 48 officers in this position, and the majority recommended that the offices of Sheriff and Gaoler be combined, in some cases, and in others that of Sheriff and High Constable; deprecated any comparison with or similarity to the English office of High Sheriff; criticized the wearing of uniforms in Court, and advised a Provincial salary of $1,800 to $2,500 with a yearly saving of about $215,000. Other and lesser recommendations were made. The Minority Report (Messrs. Sommerville and Hellyer) objected to any merging of the offices of Sheriff and High Constable or Gaoler.

An elaborate Report on the Toronto Police Court—from which Colonel G. T. Denison had lately retired after 44 years' service as Police Magistrate—described it as the largest in Ontario, with 30,170 cases tried in 1919 and 36,804 cases in 1920—5,502 of the 1919 cases being indictable offences and 4,800 in 1920; the fines and costs collected in 1917 were stated as $20,656, and, in 1920, $230,352. There was severe criticism of overcrowding in the Court room, of over-lapping in the cases tried by the 4 Magistrates and as to undue haste. A great many recommendations were made, including the need of a new building with a court-room for each Magistrate; reasonable salaries for good men in these positions and better accommodation for Prisoners; special and separate treatment for the Insane and appointment of Probation officers; the establishment of one Central Criminal Court for the County and City.

An important Report of the year was that of the Legislative Committee on Proportional Representation, of which Hamnett P. Hill was Chairman. It was really a series of reports, including those of the majority and minority members, together with documents giving the experience of other countries and special statements for and against the policy. The Majority of the Committee recommended that the proposed system be tried in Ontario at the next Election, and made the following suggestions: (1) That the Cities of Ottawa and Hamilton be each allowed two members, to be elected by those cities as a whole under the single transferable vote system of Proportional Representation, or, in the alternative, that the members from the City of Toronto be elected by this system; (2) that the present constituencies of Carleton, North and South Lanark, Leeds, Grenville and Brockville, together elect six members under Proportional Representation; (3) that the constituencies of North and South Brant, North and South Waterloo, and North and South Oxford, together elect six members under the same system; (4) that the rest of the Province select their members in what is known as single-member constituencies, but that the transferable vote be used in the election of such members; (5) that municipalities be permitted to elect their Councils by means of the single transferable vote system; (6) that legislation be forthwith enacted carrying into effect the above recommendations.

The Minority member (Lieut.-Col. W. H. Price) opposed these recommendations and declared (1) that Proportional Representation and representation by population were very different things and not understood by many people, who confused one with the other; (2) that in a new country like Canada, where so many people of different races and languages had their new home, efforts should be made to assimilate and merge them into Canadians, rather than to segregate them into separate communities with special representation; (3) that Proportional Representation would bring many candidates into the field, dividing up the vote on non-essentials and electing representatives of minorities who did not have behind them popular approval for their fads and fancies, and that a minority could, by using the balance of power, frequently dictate to a majority; (4) that Proportional Representation promoted weak groups or minority groups, with log-rolling and compromise, which would mean frequent changes of Government with changes of policy—made without going to the people for approval; (5) that instability of government in a new country like Ontario, which depended upon stable Government policy for development, would be disastrous in its results; (6) that the British system worked well because majorities, consistent with the stability of the country, treated minorities well.

The Winnipeg experience in 1920 was cited as a successful illustration; the experience of Canada, as a whole, in recent elections, and also of the United Kingdom, was said to prove the non-representative nature of single-member seats. The opponents of the policy urged that the system was unintelligible and complicated, and that it took a wearisome time to determine the victors; that under this system in Winnipeg the ballots were counted 30 times or more, and almost a week elapsed before the result was definitely known, while in one election in Tasmania it was found necessary to count the ballots more than 100 times. It may be added that Proportional Representation was asked for the City of Ottawa in Municipal elections, practised by the Cities of Winnipeg, Vancouver, Calgary and Victoria; permitted for municipalities by the Legislatures of Alberta, British Columbia, Saskatchewan and Manitoba; endorsed as a policy by the Trades and Labour Congress of Canada, the G. W. V. A., the Independent Labour Party, the Canadian Council of Agriculture, the Social Service Council of Manitoba, the Ontario Liberal Convention of 1919, the U. F. O., Ottawa Board of Trade, Ottawa Teachers' Institute.

Finances and the 2nd Budget of the Hon. Peter Smith. The Provincial Treasurer, Hon. Peter Smith, had an arduous task in financing the ever-increasing requirements of the Province. His first Budget speech in 1920 had been practically a statement of conditions as they were upon assuming office; in his second speech of this nature, on Feb. 15, he presented figures and con-

clusions which were those of his own administration. Mr. Smith first specified certain changes in the Public Accounts involving simplification and clearness of statement; stated the Ordinary Receipts of the year ending Oct. 31, 1920, as $25,078,-094 and the Ordinary Expenditure as $25,880,843; expressed himself proud of this deficit of $802,748 as being much smaller than was expected and as absolutely necessary; specified the Capital Receipts as $55,834,979 and the Capital Expenditures as $56,-963,946. The Financial statement showed cash on hand, Oct. 31, 1919, as $7,603,110 and on Oct. 31, 1920, as $5,671,393; the total sum involved was the very large one of $88,516,183.

He claimed that if the Statement had been prepared along the lines of the late Administration there would have been a Surplus, because $903,422 of receipts from Lands and Forests had been placed under Capital account instead of in Ordinary revenue. Had other items, similarly treated in his Budget, been included in Ordinary receipts, his surplus would, he declared, have been $875,198. The Expenditures were described as abnormal, and the Treasurer included under this head $608,960 of Election expenses incurred in 1920, $400,000 for the University of Toronto, $460,000 paid into the Teachers' and Inspectors' Superannuation Fund, $460,588 expended upon increased Civil Service salaries, increased payments for Schools and Education of over $900,000, special and heavy grants to Universities of $400,000, an increase of $133,119 in the grants to Public institutions and additional expenses in the Department of Health. The Capital expenditures included payment of Loans maturing and Treasury Bills totalling $24,421,237, $1,650,895 to the Teachers' Spperannuation Fund, $18,000,000 for Hydro-Electric purposes, and $6,600,000 for Highway improvements; there was, also, $910,000 for Public buildings, $989,000 for Northern Ontario Development, $655,000 for Education and $211,000 for Soldiers' Land Settlement, with other minor items.

Mr. Smith concluded by saying: "We are in the money markets continually for money and will be until the Hydro developments are completed; we are pleased to put all our statements before the House. We have nothing to hide. We are only too anxious to give you all the fullest information, and all we ask in return is just such criticism as you think fair." He frankly admitted taking advice as to Loans and financial matters in general—the very best he could get. The Estimates for 1921 were $25,683,878 in Receipts and $20,880,202 in Expenditures, with $1,241,850 additional on Capital account. The actual Receipts for the year of Oct. 31, 1921, as shown in the Public Accounts issued many months later, were $29,261,477, or $4,000,000 above the estimate; the actual Expenditures were $28,579,687, or nearly $8,000,000 above the estimate; the cash on hand, Oct. 31, 1921, was $18,784,466, or $13,000,000 above the balance a year before. The Capital and Extraordinary Receipts were $6,364,-979, and the similar Expenditure $63,949,409.

The principal Receipts of 1921* were $2,396,378 from Dominion Subsidies and grant; $2,885,829 from Lands and Forests with $1,149,918 additional on Capital account; $2,530,951 from Fees of various kinds and $2,945,360 from Motor Vehicles; $69,948 from Highways Department and $2,295,927 from Highways on Capital account; $4,727,657 from Succession Duties and from Taxes on Corporations $3,099,469; from Hydro-Electric Commission (Interest) $4,463,345 with $1,719,472 Refund on Capital account. The total of Receipts from Loans in the year was $70,015,712; the chief Capital expenditure was an advance of $39,237,288 to Hydro Commission, with $18,259,381 for various Statutory purposes. The Assets of the Province were stated at $213,601,479, including $12,040,000 as a Special deposit in Banks, $23,599,492 as cost of T. & N. O. Railway, $91,672,274 advanced to the Hydro-Electric Commission, $11,048,712 for purchase of Central Ontario Electric System, $25,383,975 as current values of Government Buildings and Land and on Highway Improvements. The Treasurer carried forward the previous Government's estimate of Provincial Resources, which were described as Assets:

Pine Timber	$132,000,000
Pulpwood Timber, Ties, Poles, Hardwood, etc.	225,000,000
Mining Lands and Profits	100,000,000
Agricultural Lands	15,000,000
Water Powers	20,000,000
Sand, Gravel, etc.	1,000,000
District of Patricia, (area of 146,000 miles) Timber, Fisheries, Furs and Mining Possibilities	10,000,000
Taxable property in Ontario, actually assessed by Municipalities,	$2,000,000,000

The Direct Liabilities of the Province were $204,959,690—chiefly Government bond issues, with $16,000,000 in Treasury Bills; the Indirect Liabilities were stated at $36,882,468, including Guarantee on Canadian Northern Ontario Railway Stock of $7,860,000 and $25,500,000 of Guarantee on Hydro-Electric Power Commission bonds. Returning to Mr. Smith's 1921 Budget, it may be added that the Treasurer's policy included the following Taxation changes: A two-mill tax on all real estate transfers; one-quarter of one per cent. tax on all Bank reserve funds; extension of Amusement tax to billiard parlours and pool-rooms; Railway taxation increase from $25 to $40 per mile; increased taxes under Mining Tax Act. These, Mr. Smith estimated, would bring in $1,500,000 additional revenue.

There was some criticism of the Budget. *The Mail and Empire* (Cons.) deprecated a jump of $30,000,000 in the Direct Liabilities of the Province; *The Globe* (Lib.) deprecated the "free spending" of the Progressive Government and urged retrenchment and economy; W. E. N. Sinclair, the Liberal spokesman in the House, criticized Mr. Smith for an alleged contrast between his administration of the finances and the pre-election economy platform of the Farmers. He also denounced the low rates at which Bonds had been sold, and claimed that they should have

*Note.—From Public Accounts for 1921, issued in 1922.

been disposed of by public tender; as it was, immediately they were in the hands of the brokers, values appreciated very materially. As to the Government's contention regarding Rural depopulation, he declared that it was due in no small part to the wider use of labour-saving machinery; to emigration to Western Canada, and a declining birth-rate; to a desire on the part of farm children for higher education. Charles McCrea (Cons.), on Feb. 16, analyzed the increased Expenditures for the past year as working out at $100,000 per diem. The Treasurer's message, he said, was a message of debt, liability and further taxation, and it contrasted greatly with the pre-election "economy pleas" of the Farmer-candidates. He claimed that items totalling $800,000 were wrongly charged to Capital account and that the actual deficit was $1,700,000. The debate continued until Mch. 10, when H. H. Dewart, the Liberal leader, moved the following vote of censure on the Government:

> That this House condemns the extravagant expenditure of the Government involving, despite an increased revenue for ordinary receipts of $5,173,322 for the last fiscal year, a deficit of $812,848, and further deplores the imprudent borrowing of large sums at excessive prices, for long terms, notably the Loans of $16,000,000 in December, 1920, and $10,000,000 in February, 1921, without any vote of this House appropriating the same to particular works or purposes—the last Loan, while the House was in Session, contrary to constitutional usage and the right of the people through their representatives in the Legislative Assembly to control and direct the expenditures of public moneys.

Mr. Dewart made an able speech, which dealt exhaustively with the Budget from a standpoint of keen hostility. He claimed, especially, that the Government bonds were sold too low and opposed the transfer tax and mining tax additions. Hon. Howard Ferguson, the Conservative leader, congratulated Mr. Dewart upon his address, and declared that the $400,000 received from the sale of the Orpington Hospital in England should have gone into Capital receipts and not Ordinary ones. He spoke of the doubling of expenditure, of the piling up of Debt, which now amounted to $15 per head of the population, and of the lack of any provision for reduction of the burden; he condemned Mr. Smith's financing, and claimed he had gone into the money market when conditions were at their worst: "But, if he had to have money, then ordinary prudence would have suggested a short-term loan instead of loans for 15 years to come. When money goes back to five per cent. that Loan (at 6%) will be selling at 110, and that means a loss to the Province of $17.00 on every $100, since the Loan was issued at 92 and a fraction." His attack upon the Treasurer and the Government concluded as follows: "In the one year in which this Government has been in power, they have bedevilled the finances; they have parted with more of the public domain than was ever sold in any single year in the last five or six years; they have enormously increased the Public Debt for future generations to pay, and they have thrown entirely to the winds any recollection of

pre-election pledges." The Hon. Mr. Drury replied for the Government and defended its efforts and expenditures as necessary, as wise, and as fruitful of good results:

When we were called to office two weeks after the fiscal year, 1919, had commenced, we had, of course, to assume the financial obligations and the commitments of our predecessors. During the year 1919 they had increased the Public Debt by nearly $22,000,000. They had had a deficit on the year's transactions of $1,559,802 and they had collected a direct war tax of $2,085,000, which they had abolished. They also left a legacy of unpaid debts incurred, during the previous year, of $608,000 for the general election, and we had to assume an obligation of $460,000 to the Teachers' Superannuation Fund which had been ignored by the retiring Administration. In addition to this the cost of everything reached the highest peak in 1920. We had to pay about 15 per cent. more for all supplies than was paid in 1919, and the cost of living rose in the same proportion to all the employees of the Government. Let us examine the causes which brought about the increase in the expenditure last year. First of all, there were certain increases beyond our control, and these amounted to $2,016,492. These uncontrollable increases were as follows:

Increased cost of carrying the Debt incurred in 1919	$ 946,944
General Election accounts left over	608,960
Debt to Teachers Superannuation Fund, assumed	460,588
Total	$2,016,492

These three items account for nearly half of the increased expenditure. Two other items of increased expenditure which are worthy of special attention account, practically, for the balance of the increase:

Education	$1,610,058
Maintenance of Public Institutions	705,146
Total	$2,315,204

The Dewart amendment was rejected, on division, and the Budget debate ended. During the year there was a succession of Provincial Loans, which included the following: 1st Feb. $10,000,000, 6 per cent., 20-year bonds; 2nd Mch. $15,000,000, 6 per cent. 15-year bonds; 15 Sept., $15,000,000, 6 per cent., 22-year bonds. One of $5,000.000, 6 per cent. 17-year bonds 15 Nov., 1920, and another of $16,000,000, 6 per cent., 15-year bonds of 1st Dec., 1920, were also included in the fiscal year.

Political and Other Incidents of 1921. H. Hartley Dewart, K.C., as Leader of the Liberals in the Legislature, had experienced many difficulties since his election to that post in 1919; some of them were personal, some political. He had never favoured Prohibition, and he was leader at a time when no other policy seemed admissable to the public mind even for discussion; he liked bold, aggressive political warfare, and the tendency of the moment was to find elements of co-operation with the Farmers' party rather than antagonism; he was not altogether favourable to Public ownership principles, and elements in his own party were openly opposed to his leadership. On July 28 a joint meeting of the Executive of the General Reform Association and the Ontario Liberal Executive was held in Toronto, and it was decided that the Liberals of the Province be re-organized

under the name of the Ontario Liberal Association. Hon. Mackenzie King and H. H. Dewart were present.

On Aug. 30 the Toronto *Globe* declared itself opposed to Mr. Dewart as Leader: "In sheer intellectual power Mr. Dewart is unquestionably the ablest man in the present House of Assembly. But ability and availability are entirely different things. x x x Prohibition enforcement and the safeguarding and extension of the Public ownership principle are the outstanding features of Provincial politics at the present time, and it is unfortunate that Mr. Dewart does not give clear, unhesitating leadership in regard to either of them." A meeting of the Ontario Liberal Executive was held on Oct. 18, with A. C. Hardy of Brockville presiding, and arrangements were made for the current Federal elections, with the Provincial leadership also discussed; on the same day a Caucus of the Liberal members of the Legislature met to discuss with Mr. Dewart a recent letter in which he intimated the possible necessity of retiring for reasons of ill-health.

He was not present at the meeting, but a second letter was read, in which he said: "I appreciate very much the loyalty with which the majority of those who were elected as Liberals supported me in expounding the policy of the party, which you know I did, whether at all times it was in accord with my own personal views or not. But I must confess that I keenly felt the open attacks and the more veiled but equally appreciable disloyalty of others. I am fully conscious of my faults and of just causes of criticism, but I did not lay myself open to attack for any lack of adherence to and enunciation of sound Liberal principles. I have especially felt the failure of legitimate financial support, and a burden that was thrown upon me as Leader that I should not have had to bear." The letter concluded with a vigorous attack upon Mr. Drury and the Agrarians and Mr. Meighen and the Conservatives. The resignation was accepted, and a Resolution passed expressing sympathy with the late Leader in his illness and deep appreciation of the services he had rendered to the party. It was announced that Francis Wellington Hay, Chief Liberal Whip, and a popular member of the House since 1914, would act, temporarily, as Leader in the Legislature.

Meantime, the Conservatives under G. Howard Ferguson, K.C., had been putting up an active fight in the Legislature but, while the personal popularity of their leader was an asset, they were somewhat hampered by the defensive policy necessary, at times, in respect to the Timber Commission Enquiry and the fact of Mr. Ferguson having been Minister of Lands and Forests in the period under investigation. Mr. Ferguson, however, held his own with vigour; on May 16, at Ottawa, he made a fighting speech typical of others delivered from time to time. In it he denounced the Drury Government as "a hyphenated, hybrid organization" without a chance of future electoral success in

the Province; described the Timber investigation and Commission as a "nefarious, scandalous, outrageous attempt to disqualify a public man"; declared that, in alliance with the Independent Labour Party, the U. F. O. had been forced to make compromise after compromise in order to carry on the Government at all.

He added that: "The legislation initiated by the Group is nothing but hash; the Premier, himself, is a man of high principles, but he is a visionary idealist and when he tries to crystalize these ideals into legislation he finds it a practical impossibility. In the matter of Capital expenditure, the U. F. O. has spent $83,000,000 during 1920, while, during Conservative rule in the two years from 1918 to 1920, only $79,000,000 was spent; 25 to 30 per cent. has been added to the cost of every Government Department." H. P. Hill, M.L.A., followed and expressed unshakable confidence in Mr. Ferguson as a man, as a debater, as a fighter, and as a leader; his work during the recent Session had stamped him as "one of the greatest Provincial politicians in Canada." On Sept. 16 the Ontario Conservative Association met in Toronto, with J. E. Thompson, M.L.A., in the chair, organized for the Federal Elections and expressed renewed confidence in Mr. Ferguson.

An event of this period was the death of His Honour Lionel Herbert Clarke, Lieut.-Governor of the Province, on Aug. 29. Mr. Clarke had been President of the Toronto Board of Trade and Chairman of the Toronto Harbour Commission prior to his appointment on Nov. 27, 1919; he was a respected and popular citizen and highly regarded in this new and responsible position. The public funeral on the 31st was one of the largest and most representative tributes of respect ever accorded in Toronto to a public man. The selection of a successor was more debated than usual. The *Farmers' Sun* (Sept. 10) urged the appointment of a farmer, and pointed the proposal by reference to the Hon. LL.D. lately given to Seager Wheeler, the Western grain-grower. The Ottawa Government on Sept. 11 announced the appointment of Lieut.-Col. Henry Cockshutt of Brantford, well-known as a past President of the Canadian Manufacturers' Association and President of the Cockshutt Plow Co., the Adams Waggon Co., and the Brantford Carriage Co.; as, also, a financier and Director of the Bank of Montreal and other institutions. He was President of the Brantford Recruiting League from 1914 and in 1916 had raised the second local Battalion for Overseas service but resigned command on finding that lack of training would prevent his going further than England. The *Farmers' Sun* at once came out with an editorial (Sept. 21) urging the abolition of Government House as being a waste of money and "out of keeping with the democratic simplicity of the age."

Other incidents of the year included the presentation of certain charges in Toronto against J. Seymour Corley, K.C., the lately-resigned Crown Attorney, and the report of Judge Ward,

Special Commissioner (Oct. 1st) completely exonerating him; the statement of Arthur Hewitt, President of the Ontario Fire Protection League, that with a *per capita* Fire loss greater than that of any civilized country in the world, Ontario's fire waste was over $1,000,000 per month; the unveiling at the Parish Church, Orpington, Kent, of a Memorial Cross presented by the Ontario Government in honour of 100 Canadians who had died of wounds at the Orpington (Ontario Government) Hospital during the War; the publication of the Dominion Census returns relative to Ontario, which showed a population in 1921 of 2,933,662 and an increase of 406,370 over 1911, with 1,227,809 rural and 1,705,853 urban; the issue of a Report by the Dominion Bureau of Statistics showing 14,381 industrial establishments in the Province in 1919 with $1,335,968,699 capital, 89,503 employees, wages of $229,191,908 and a production of $1,533,738,655.

During the year a large number of King's Counsel were appointed by the Government on advice of the Attorney-General and a special Committee composed of Chief Justice Sir William Meredith, Chief Justice Sir William Mulock and Dr. John Hoskin, K.C.—appointed at different times to the total of 225. W. D. Gregory, one of these appointees, in a letter addressed to the Attorney-General (July 29) rejected the honour and declared that "no duties are attached to the office of King's Counsel, and it appears to me that no public interest requires the making of such appointments," and added: "I feel strongly that the practice of giving certain barristers precedence over others in the Courts is undesirable and out of harmony with the democratic standards that generally prevail in Canada." During 1921 the retirement of J. Bruce Macdonald, after 43 years' service with the Provincial Government of Ontario, was announced, with those, also, of A. A. Grigg, Deputy-Minister of Lands and Forests, Lieut.-Col. G. T. Denison, Senior Police Magistrate of Toronto, Dr. G. C. Creelman, Agent-General for Ontario in London, J. Lonsdale Capreol, K.C., for many years Clerk of the Executive Council of Ontario, E. S. Estlin, Provincial Natural Gas Commissioner. The appointment of William C. Noxon, manufacturer and financier, and during the War member of the Canadian Trade Mission in London, as Agent-General for Ontario in London, was announced on July 1st.

Ontario Government Appointments in 1921

Inspector of Dominion Courts in Ontario	W. W. Ellis	Toronto
County Crown Attorney for Essex	G. A. Urquhart	Windsor
Police Magistrate in Lennox and Addington	J. Lionel Lloyd	North Brook
Police Magistrate of Wiarton	John MacCartney	Wiarton
Judge of the Juvenile Court for Windsor, Walkerville and Ford	Rev. Canon Arthur Carlisle	Windsor
County Crown Attorney for Prince Edward	Malcolm R. Allison	Picton
Local Registrar of Supreme Court	Richard H. Hubbs	Picton
Clerk of the Executive Council of Ontario	Charles F. Bulmer	Toronto
Sheriff of Parry Sound	J. S. E. Armstrong	Parry Sound
Senior Magistrate for Toronto	J. Herbert Denton, K.C.	Toronto
Deputy of Minister of Labour	J. H. H. Ballantine	Toronto
Police Magistrate in Algoma and Sudbury	Edward Arthurs	Espanola

Police Magistrate for County of Peel	Charles H. Burgess	Port Credit
Police Magistrate	William J. Clark	Pickering
Police Magistrate for County of Dufferin	Hugh Falconer	Shelburne
Police Magistrate for Cannington	William Hamilton	Uxbridge
Police Magistrate for County of Dundas	George C. Hart	Winchester
Police Magistrate for City of Peterborough	Oliver A. Langley	Peterborough
Police Magistrate for County of Huron	Charles A. Reid	Goderich
Deputy Minister of Lands and Forests	Walter C. Cain	Toronto
Police Magistrate for Sudbury, Algoma and Thunder Bay	Joseph E. Depew	Sudbury
Police Magistrate for County of Bruce	Alex. E. McNab	Walkerton

Mr. Raney as Attorney-General of Ontario; Questions of Prohibition and Race-Tracks.

The Hon. W. E. Raney, K.C., was a conspicuous member of the Government during the year; aggressive and energetic, he made enemies and was quite aware of it; he won popular support as well as disapproval and carried through most of his plans. He had charge of the legal business of the Government and oversight of its legislation from that point of view; he made the interesting statement in the House on Feb. 21 that since his appointment as Attorney-General he had had no connection with any legal firm whatever, and that he hadn't spent an hour on private business nor drawn one dollar for private services; he continued his policy of prosecuting the Canadian Wholesale Grocers Association and associated concerns as sharing in an alleged and illegal combine.

The Attorney-General and the O. T. A. The Prohibition issue was, however, the chief one with which Mr. Raney had to deal in 1921; enforcement of this law was a serious difficulty and its evasion, at times, a public scandal. The Report of James Hales, Chairman of the Board of License Commissioners, as to the operation of the O. T. A. in 1921, stated that, in the fiscal year ending Apr. 30, there were 36 convictions of Hotel licensees and 4,412 of non-licensees; in the preceding year the figures were 23 and 2,763 respectively. The revenue from fines was $811,087, compared with $273,647 in 1919-20; the expenses were $253,357 and $144,211 respectively. The confiscated liquor in 1920-21 was 21,486 cases and 2,683 gallons, with 897 cases of beer and 90 barrels. Mr. Hales stated that the committments to gaol for drunkenness in 1921 were 4,719, compared with 4,511 in 1920, 3,415 in 1919 and 2,595 in 1918.

The enforcement of the Ontario Temperance Act early developed allegations of increasing crime and complaints of autocratic action by Department employees. The Toronto Police Court showed an increase in the number of "drunks" from 4,554 in 1917 to 6,130 in 1920, and of all offences tried as from 25,714 to 36,804—the population also increasing from 473,829 to 512,812. Senator Lynch-Staunton at Hamilton (Jan. 25) declared that: "The Cabinet in Toronto has handed to the Crown absolute control over you and me and every one of us." Under the Ontario Temperance Act, he stated, any Magistrate could send a man

to gaol for a year without the right to appeal and without a trial by jury. Meanwhile, the importation of liquor was carried on with all kinds of abuses; "rum-running" was rife, and the export of liquor in large quantities to the United States continuous—especially along the Niagara and Essex frontiers; as an illustration of the efforts made by the Attorney-General's Department, 750 cases of liquor were seized at Windsor, on Feb. 28, while being unloaded from a train.

In the Legislature, on Feb. 8, Mr. Raney submitted the Report of the Special Committee on the O. T. A. which had been appointed in 1920; there were both Majority and Minority documents—the latter being signed by 11 members. The Majority Report stated that the Committee had no power to enforce attendance of witnesses or to require that they be sworn and that other powers were limited by the Deputy Attorney-General. The chief conclusions specified were that the Committee was not prepared to advise that the sale of native wine be interfered with; that the co-operation of other Departments in placing the enforcement of the O. T. A. entirely in the hands of the Attorney-General would prove very beneficial; that the Act should be amended so as to provide for an appeal by the defendant on the record of evidence as taken before the convicting Magistrate—such appeal to be to a Judge in Chambers of the Supreme Court of Ontario. It was stated, also, that, during the past year (Oct. 31, 1920), the amount of sales from dispensaries (including the central warehouse) amounted to $3,628,191; that in the same period there were 3,813 convictions, of which 27 were subsequently quashed; that the resultant fines, exclusive of those collected by municipal police, amounted to $672,222 and remissions, subsequently granted, to a total of $33,687; that clemency was granted to 181 individuals in respect to whom imprisonment had been adjudged, and that the amount of liquor confiscated amounted in value, as estimated, to $227,459. The Minority Report urged an appeal to the County or District Court. On Apr. 14 a motion to adopt the Majority Report was negatived.

Following the presentation of this Report, Mr. Raney, on Mch. 1st, after a long discussion, promised legislation giving a right of appeal to County Court Judges. He was specific, however, as to the O. T. A. having been demanded and voted upon by the people: "It cannot be repealed—and it must not be impaired—by this Legislature without the consent of the people of this Province." He believed that the appeal should be carefully safeguarded so as not to increase the "already great difficulties of enforcement"; he maintained that no injustice had been done without the appeal, though R. L. Brackin (Lib.) specified the case of a man who had been fined $2,000 and served three months in prison upon conviction of selling a hundred cases of liquor which, subsequently, three men confessed to having stolen from his premises.

Interjected into this period was the Enquiry at Dunnville, under instruction from the Attorney-General, into the attitude of David Hastings, Police Magistrate, respecting local enforcement of the O. T. A. Mr. Hastings had already been suspended and the complaints to be investigated numbered 12; John A. Paterson, K.C., of Toronto, was appointed Commissioner, and the enquiry commenced on Mch. 1st. R. U. McPherson, K.C., for the Crown, charged certain prominent citizens, by name, with having together received about 400 cases and 14 barrels of liquor in a year; Mr. Commissioner Paterson ruled the matter out of order, but the press published the names, which included that of F. R. Lalor, M.P. Testimony was given by various witnesses that Mr. Hastings was admittedly opposed to Prohibition; that he deemed some of the penalities of the O. T. A. too drastic; that he had dismissed a man named Barnes on one charge because he was a friend of his, and had granted bail to another man before the warrant against him had been executed; that he gave residents of Dunnville little publicity in his newspaper regarding O. T. A. cases in the Dunnville Police Court; that on various occasions accused men were most leniently treated, or discharged, whom the witnesses believed to have been guilty.

Mr. Hastings stated, in evidence, on Mch. 11, that he was in favour of the Act and its enforcement, but that he preferred some system of Prohibitory legislation which would permit reasonable facilities for those who wished to obtain liquor and reasonable restrictions for those who abused the privilege; he was opposed to any Standard Hotel being allowed to sell liquor or even soft drinks over the bar, but he would favour liquor being served to hotel guests at their meals in dining-rooms; he thought Temperance did not lie in Prohibition, but in self-control. Mayor K. J. Shirton testified that Mr. Hastings was "a man of sterling integrity, who could not be subjected to any secret influences." After hearing 50 witnesses the Enquiry was adjourned on Mch. 16 and the Report presented to the Legislature on Apr. 30 by Mr. Raney. In it the Commissioner stated that in view of all the evidence and of the impression on the Dunnville public mind and, "notwithstanding the admitted fact that Mr. Hastings is personally honest and upright," he was of opinion that Mr. Hastings should be asked to tender his resignation as Magistrate. He declared the charge against Mr. Lalor and his associates as not proven. On June 23 it was announced that the Attorney-General had appointed Lieut.-Col. J. C. Massie of Port Colborne to the position in place of Mr. Hastings "now under suspension."

Meanwhile, Mr. Raney had presented to the Legislature (Mch. 16) a measure providing for the co-ordination of the Criminal law and its enforcement under a Provincial Commissioner of Police. He stated that there had been a disposition on the part of the Provincial Police to avoid having anything to do with the enforcement of the Ontario Temperance Act. Under

this Bill every officer in the Province, excepting one or two especially charged with investigating a particular crime, would have the duty of enforcing the O. T. A. Both the Liberal and Conservative leaders opposed the Bill. G. Howard Ferguson based his argument upon the Attorney-General's alleged failure to give the House any sound reasons for the measure or any expert advice sufficient to justify him in proposing a plan of law administration that was directly contrary to the views of the experienced head of the Provincial Police Force. H. H. Dewart declared that behind the Bill was evident the desire of the Attorney-General to dismiss Superintendent J. E. Rogers; he opposed the fusing of two branches of law enforcement entirely different in their nature, and objected to the autocratic powers, in the making of regulations, that would be conferred on the Attorney-General.

J. C. Tolmie and R. L. Brackin (Liberals) both opposed the measure and criticized the existing system of enforcement on the Essex frontier. Conservative speakers attacked the Attorney-General for alleged autocratic methods. The Bill passed in due course and later in the year (November) the re-organization took place; the Province was divided into 8 districts with an Inspector in each district; a Commissioner of Police was appointed (Major-Gen. H. M. Elliott) to supervise the whole system and to enforce the O. T. A. as well as all other laws. In December J. E. Rogers was appointed Superintendent of Investigation under General Elliott. In the Legislature, on Apr. 12, Mr. Raney stated that the "free importation of liquor, ostensibly for domestic use, but really for sale, is and has been since Jan. 1st the chief obstacle in the way of the enforcement of the Ontario Temperance Act." Another Bill, drafted and carried by the Attorney-General, provided for an appeal in the case of persons convicted of breach of the liquor laws. Under its terms anyone convicted before a Magistrate could, within ten days thereafter, appeal to the Senior County or District Judge, sitting in Chambers, without a jury. The convicted person, if sentenced to a prison term, was to be liberated pending the hearing of the appeal on giving approved security; the Judge was given power to affirm, reverse or amend the order of the Magistrate.

There was a hot debate on the O. T. A. on Apr. 14 with this measure as its excuse and Mr. Raney spoke freely: "There is a deliberate propaganda of lies, promulgated chiefly by Toronto mouthpieces of the boot-legging and gambling fraternities, and deliberately designed to discredit the law and its enforcement. That campaign has been gathering head for a year, and is now at the peak." Mr. Dewart attacked the Attorney-General without gloves and claimed, as did Mr. Tolmie and others, that the appeal was not a fair one for the poor man; they wanted it based upon new evidence as well as upon that taken in the Police Court, and with this point various Conservative speakers

agreed; an amendment to the 2nd reading referring the measure to a Committee of the House was, however, defeated on division. A debate on the 19th evoked a tribute to Mr. Raney from J. W. Curry, K.C., (Lib.) as to his strenuous application and devotion to work, while Mr. Ferguson kept the balance by a severe personal attack upon the Attorney-General as a "bully of the law" with Mr. Dewart comparing him to Torquemada the Spaniard! The Bill passed eventually—based, however, upon the record taken before the Magistrate.

The Legislature, in considering a Bill presented for its 2nd reading on Apr. 25 by H. H. Dewart, Liberal leader, found the Attorney-General supporting the measure. It proposed to prohibit the sale of native wines and to limit to six ounces the amount of liquor obtainable on a doctor's prescription. Mr. Dewart, as a lawyer, contended and reiterated his contention of the previous Session that: "So long as there is a sale of native wines in the Province of Ontario, as allowed under the O. T. A., Ontario is not a Province coming within the definition of the Canada Temperance Act, or permitting legally of such a Referendum as is to be held on Apr. 18." The Bill did not, however, get beyond the Committee stage.

The Liquor Importation Referendum. Under the Dominion measure called "Bill 26"—an Amendment to the Canada Temperance Act—a Prohibition Province could, by Resolution of its Legislature, ask the Dominion Government to take a vote of the electors upon this proposition: "Shall the importation and the bringing in of intoxicating liquors into the Province be forbidden?" If a majority of the electors voting voted "Yes" the Dominion Government must proclaim importation to be prohibited under the Act. It would be an offence for any person to "import, send, take or transport into such Province any intoxicating liquor" for beverage purposes, or to "manufacture or sell liquor to be unlawfully imported, sent, taken or transported into such Province." It was, also, declared that: "The carriage or transportation of intoxicating liquor through such Province shall be only by means of a common carrier, by water or railway, and not otherwise."

It was claimed by the Prohibition interests that these clauses were not strong enough, that they did not give control over the importation of liquor for other than beverage purposes, nor did they deal with the manufacture of liquor, or the shipment within the Province, of liquor manufactured within it. Hence the 1920 "Sandy Bill" of the Ontario Legislature which made it an offence for any person to carry, transport, or deliver, receive, or take delivery of liquor within the Province of Ontario, if that liquor was for sale or consumption within the Province, except by and under the order of the Board of License Commissioners and unless such liquor was (1) shipped through the Province (as from Montreal to Winnipeg); (2) exported from the Province; (3) moved from one place, where it could be

legally kept, to another place where it could be legally kept within the Province—but without breaking bulk or changing ownership. This measure was to come into force only if and when a Referendum was taken and approved under the terms of Bill 26—followed by Dominion and Provincial Proclamations.

Hence, also, the agitation for a Referendum and the granting of one by Ottawa following upon the 1920 Resolution and request of the Legislature. The date fixed was Apr. 18, and on Jan. 25 the Toronto Prohibition Committee to aid in carrying the vote was constituted, with C. L. Burton as Chairman and James Hales Vice-Chairman; the Director of Campaign and Secretary was the Rev. Peter Bryce, and the Chairman of Finance J. H. Gundy; the balance of the Executive was made up of six clergymen and three ladies. On Feb. 14 Mr. Bryce spoke at a luncheon attended by 250 Ministers representing 14 denominations, and stated that in two weeks there would be 5,000 workers in the city thoroughly drilled in their duties; Mrs. F. C. Ward and Mrs. L. A. Hamilton also spoke. At this juncture 2,000 Provincial representatives of the Dominion Alliance met in Toronto (Feb. 22-24) and held their 45th annual Convention, with Charles E. Steele of Port Colborne in the chair and the Treasurer reporting receipts for the year of $79,219 and expenses of $91,000.

The Rev. Ben. E. Spence, Secretary, and energetic protagonist of the cause, stigmatized the rum-running business as organized rebellion in defiance of constituted authority, and pointed out that the development of law violation had been facilitated by the ease with which supplies of liquor could be obtained, the ready market for its sale and the enormous profits which accrued. Mr. Steele declared that: "Legislation alone will not bring about Prohibition. It is not sufficient to pass laws and then think the fight over. We must direct our energies towards an adequate enforcement of those laws." Rev. Dr. A. S. Grant, Secretary of the Ontario Referendum Committee, made a vigorous appeal for unity of action, while Rev. J. A. Ayearst, Chief Inspector under the O. T. A., delivered a fighting speech. William Delaney of Niagara Falls, in an address on rum-running on the Niagara frontier, said that he would rather see this continued than have conduct such as that of some "stool pigeons" he had seen: "If it is a necessity to have men to do 'spotting' business, for Heaven's sake give us decent men! I have seen things in our Police Court which would make your blood run cold." A Committee Report making a strong appeal to the Federal Government to enact a law prohibiting the manufacture, importation, exportation and inter-Provincial transportation of intoxicating liquors for beverage purposes was passed by a standing vote.

The Dominion Alliance and the Ontario License Commission were in close agreement at this time, and during the Referendum J. D. Flavelle, Chairman of the Commission, took an

active part for Prohibition. In Toronto, on Apr. 8, he described current conditions of enforcement as a reason for voting against importation: "The Ontario Temperance Act, as it exists, is almost non-enforceable from many standpoints." He referred to the vast waterfront of the Province, which made boot-legging easy; with this and the large supply of liquor, and big profits from sales, it was easy to understand the tremendous temptations for bribery. These bribes were offered to License inspectors, to Policemen and to Customs House officers: "When you realize that a man who runs a carload of liquor across to Detroit is expected to make from 50 to 80 thousand dollars upon it, you will understand that he can afford to spend half that amount on bribes—$5,000 bribes are quite common."

The campaign which followed was energetic, with nearly all the ministers and clergymen and women's organizations on the one side and the politicians either supporting Import abolition or else quiescent; on the other side was the Citizens' Liberty League, with I. F. Hellmuth, K.C., of Toronto, as Chairman, and a large number of supporters who did not care to appear publicly in the matter. The Dominion Alliance held a mass-meeting on Apr. 2nd, in Toronto, with a speech from the Attorney-General in which he denied, first, that the election had anything to do with Government control: "The issue is clear and distinct and plain: "Shall the importation and the bringing of intoxicating liquors into the Province for beverage purposes be forbidden?' There is not a word there, not a suggestion there, of Government control, and, if the vote of Apr. 18 is in favour of a continuance of the present conditions, Government control will not be advanced one step; in fact Government control will have a set-back of many steps, because you cannot have it while you have free importation. Surely that is obvious. If you can import liquor from Montreal or Hull, or elsewhere, where is the Government control?"

Addressing 2,000 young people on Apr. 4, Rev. Jesse Arnup said: "What the Citizens' Liberty League really wants is not Government control of liquor, but liquor control of Government." On Apr. 9th the Presbyterian Board of Home Missions and Social Service issued a strong appeal for an affirmative vote on the Referendum; the Rev. Ernest Thomas and Ernest Heaton, a vigorous opponent of Prohibition, debated the subject in Toronto on Apr. 13; Bishop J. F. Sweeny of Toronto (Anglican) on Apr. 14 issued a letter to his clergy urging them to vote "Yes" in the Referendum. On this date, also, 8,000 people in the Arena, Toronto, heard Sir George E. Foster, M.P., the Hon. N. W. Rowell, K.C., and Hon. E. C. Drury, Premier of Ontario, support Prohibition. Mr. Drury dealt with existing lawlessness and cited the Garfield case of two brothers—one brought to the gallows and the other to 20 years in the Penitentiary—as a direct product of this condition; declared that defeat in the Referendum meant three years of greater lawlessness (before another

vote could be held) and uncontrolled boot-legging; pointed out that Government control was not before the people and was impossible under free importation.

He concluded as follows: "Being in charge of a Government, I want a law which can be enforced; there is a law placed upon the statute books by an overwhelming majority, and I don't want that law made a mockery." The Rev. Canon C. W. Vernon, in *The Churchman* of Apr. 13, supported that journal in its contention that "the drink evil is colossal in its extent and so far-reaching in its influence that complete Prohibition is distinctly worth while and ought, therefore, to be given a fair trial"; on the morning of the 18th Rabbi B. R. Brickner of Toronto issued a statement in favour of prohibiting importation of alcoholic liquors but favourable, also, to the use of light wines.

Meanwhile, the central figure of the Prohibition campaign had been W. E. (Pussyfoot) Johnson. He spoke at two big meetings in Hamilton on Apr. 7 and the press voiced public comment as to his very ordinary capabilities as a speaker; he was slow in style but undoubtedly effective in marshalling his facts; he was not extreme in view, or new in argument, or sensational in matter. This first address consisted of a calm and business-like explanation of the successful way in which Prohibition was alleged to be working in the United States. During three years the arrests for drunkenness in 62 of what were formerly the worst cities of the Republic were said to have steadily decreased from 371,475 in 1917 to 141,084 in 1920. The Toronto *Star* report drew attention to his fondness for "good fat cigars." Kingston was to have heard Mr. Johnson on the 8th, but the meeting—with Mayor W. F. Nickle in the chair—was so disturbed that he could not make himself heard; at Montreal, despite its known antagonism to Prohibition, he spoke to an immense audience in St. James' Presbyterian Church, on the 9th, with J. H. Carson, J. R. Dougall and other local veterans around him—on the way he also spoke at Cornwall and had a cordial reception; at Toronto, where on Apr. 10 he tried to speak, Massey Hall was packed, with a great overflow meeting at the Metropolitan Church, but the main audience was mixed and a part of it so bitterly hostile that he could not be heard; so at Windsor, on the 11th, where he was absolutely hooted from the platform and had to leave the local Armouries and the Canadian side of the border under Police escort.

The anti-Prohibitionists, or Moderates, put up as good a fight as possible, but their means were limited, their support from really moderate citizens was too silent and retiring to be effective, their cause was blackened in advance by alleged association with the admitted evils of intemperance. The Rev. Dr. T. C. Street Macklem, Provost of Trinity University, was a supporter of the Liberty League, and on Mch. 30 put the issue as follows: "Temperance is better than Prohibition. Total

Prohibition is bad for the cause of temperance and detrimental to health and morals." He thought that restrictive laws should not run in advance of the wishes of the community; mere majority rule would not maintain law as it should be maintained. There were several reasons why he opposed total Prohibition: "Sudden restriction in one direction means an outbreak elsewhere; blue laws are not calculated to promote the highest ends; lack of moderation is one of our national evils and well-meaning but ill-advised people are taking the bit in their mouths and will cause trouble." Health, he declared, was menaced by a contaminated and poisonous contraband with injurious home-made concoctions which had also made their appearance; beer drinkers were being changed into whiskey drinkers; a law which would save from drunkenness but which would produce spies and perjurers was not to be commended.

Prof. Stephen Leacock of McGill University, the most prominent Canadian opponent of Prohibition, delivered an address in Toronto on Apr. 1st, and handled the whole matter without gloves: "A fanatical minority has captured the ear of the public and the power of the Legislature. They have contrived to throw around them a false mantle of religion and morality. And for the time being the only response is silence. Things have come to a point where the expression of opinion is no longer free and unrestrained. People will not speak out frankly what they think. This man trembles for his business, that man for his profession. All, or nearly all, kept silent. The Prohibitionist has contrived to masquerade before the country as if he were of necessity a good man, a moral man, and his opponent, of necessity, a bad one. A very large part of the most honest and honourable opinion of the country is opposed to Prohibition, as well as a very large part of the worst opinion." He claimed that:

> I happen to be of those who are honestly and sincerely opposed to Prohibition as a matter of principle. I think the movement is the worst national development, the most un-British agitation that has come to us in half a century. It is my candid belief that the adoption of Prohibition in the United States is the worst disaster that has fallen upon the American Republic since its organization. If it could last, it would undermine the foundations of government itself. If it could last, it would in time bring down the strongest political fabric into anarchy and dissolution. But Prohibition cannot last, neither here nor there nor anywhere because it is based upon a lie. And a lie cannot endure. Prohibition declares it to be a crime to drink beer. And it is not a crime. The common sense of every honest man tells him that it is not a crime to drink a glass of beer. All the Legislatures that ever sat cannot make it so. You can make your statutes as cruel and as sharp as you like. You may multiply your spies and informers, you may throw wide the doors of your penitentiaries, and you still cannot make it a crime; and the sharper and the harder your law the more public sense and public feeling will revolt against it. Let those who have organized the legislative tyranny for Prohibition look well to what is bound to follow. They are putting their trust in coercion, in the gaol, in the whip and the scourge. They are done with the moral appeal. They are finished with persuasion. They want authority and to be obeyed under the fear of the criminal law. And the time must come when they and their law must go down together.

He did not deal with whiskey: "At an easy computation there are at least two million of us in Canada who want, if left alone, to drink beer and wine. The Prohibitionist proposes to treat us as two million criminals. It can't be done. All that he can effect is to break down the basis of law itself. And that is what is happening in America. Law, divorced from the support of the individual conscience, is breaking down." The anti-Prohibitionists also imported an American orator—Charles A. Windle of Chicago. He was a popular speaker and had his public record in the War not been pro-German and anti-British, he might have helped the negative side in the Referendum; as it was the Prohibitionists produced much material from his weekly journal, *Brann's Iconoclast*, showing what his views had been and still were. The Rev. Ernest Thomas, on Apr. 9, quoted, as personally verified, some vile statements as to England and the British, published as late as March, 1921—one of them as follows: "Was such a civilization worth saving? Is this heartless old hag (England) clothed in the garments of lust, loot and murder, worthy the life of the humblest son of Columbia who died in France?" W. E. Johnson, in his Hamilton speech, had lauded Great Britain and read several extracts from what he called "the most villainous, anti-British publication in the United States."

Meantime, Mr. Windle had spoken in Toronto on Apr. 4; quoted largely from the Bible and made a series of statements which were witty after a certain type, and unquestionably effective with the average audience. For instance, he declared that: "Prohibition is unchristian in character because Christianity is an internal remedy for sins, while Prohibition is a quack nostrum to be applied externally and rubbed in with a policeman's baton." He was at Hamilton on the 7th, and warned the people that the anti-tobacco agitation of the W.C.T.U. in the United States was growing in strength, and said to the tobacco-users that unless they spiked Prohibition now their cigars and pipes would be the next to go. Temperance, he added, was a Christian virtue, while total abstinence from liquor was a Mohammedan doctrine. He spoke at Ottawa on the 10th with Admiral Sir Charles Kingsmill, Hon. President of the Citizens' Liberty League, on the platform, and speeches from Tom Moore, President of the Trades Congress, and Rev. Canon A. H. Whalley.

This completed a week's tour of Ontario; then came the public developments as to his War and anti-British views. Mr. Hellmuth announced on the 12th that the League was through with him; Admiral Kingsmill, at Ottawa, expressed regret that he had supported him on the platform; Col. William Hendrie, President of the Hamilton League, apologized for having brought him to that City. Mr. Windle, on the 16th, published a letter denying the charges, alleging misquotation and garbling, claiming that Neutrality—prior to 1917—was not hostility.

Meantime, the Liberty League had obtained many thousands of signatures to a Memorial addressed to the Ontario Government which urged that Democracy had sprung from the desire for individual liberty, and could only be maintained by the preservation of that liberty. They declared that the cause of Christian temperance and of stabilized democracy could best be served as follows:

1. By Government control of the sale of spirituous liquors.
2. By the treatment of those who have not the strength to take care of themselves under such conditions, as patients, not as criminals.
3. By permission to purchase beer and wines under a system to be devised by the Government, thus minimizing the evil of illicit stills and the illegal sale of spirituous liquors and drugs.
4. By the formation of a voluntary organization similar to the Blue Ribbon Army in Great Britain, whereby all available energies and funds may be devoted to the promotion of true temperance by education and example.

It asked the Government to provide a means for expression of opinion on the question of Government control, and declared that the League would not support any return to the "open bar." On Apr. 18 the voting took place with, incidentally, an assertion by the Toronto *Globe* that of late as much as $100,000 daily had been sent out of the Province to purchase whiskey and other intoxicants and that Ontario's whiskey bill was over $10,000,000 a year. The result of the contest was a majority of 171,000 for what was, practically, total Prohibition; 13 cities went "dry" and 11 the opposite—including important centres such as Toronto, Hamilton, Ottawa, Fort William, Kitchener, Port Arthur, Welland, Windsor and Kingston; women were declared by the press to have been the most numerous voters, the most enthusiastic workers; the rural districts went, as a rule, for Prohibition. The final figures showed the Toronto vote to have been 82,397 against Prohibition of imports and 73,377 in favour; the total vote of the Province was 373,938 against and 540,773 in favour of Prohibition, or an aggregate vote of 914,711 compared with 1,145,705 in the general Referendum of 1919.

Of the succeeding comment, Mr. Raney's was interesting: "It will enormously assist in the enforcement of the law. It will not take long to exhaust stocks in hand and we will have much easier conditions. There was only one thing for the people to do, and that was to give Prohibition a fair chance." As to the press, the Toronto *Telegram* gave credit for the result to the women; other journals declared that the rural districts did it; still others alleged that the chief influence lay in the churches. The *Pioneer*, the organ of the Prohibitionists, prepared at once for further advances. It demanded (Apr. 29) that "the menace of the private cellar" be removed, and urged that one of the following courses be adopted: (1) Registration and taxation of all liquor privately owned; (2) limit of quantity to be legally held at one time to, say, the Alberta figure of 2 gallons; (3) Government compulsory purchase of all private stocks for use in

medical and similar purposes. On June 18 the Dominion Government proclaimed Bill 26 as in force and, consequently, the prohibition of liquor importation into Ontario; as a consequence, also, the Provincial "Sandy Bill" prohibiting the commercial movement of liquor within the Province came into effect by Order-in-Council of the Drury Government passed on July 6. Both measures went into legal operation on July 19.

The Attorney-General and the Race-Tracks. During the year Mr. Raney took up, with much vigour, the question of race-track betting and all its alleged evils. In May it had been announced that men chosen especially from the Royal Canadian Mounted Police would be placed on guard by the Dominion authorities at every race-track in Canada to see that new provisions in the Criminal Code regarding the operation of race meets were carried out. Under this law there was a limit to the proportion which the Racing Clubs could take from the amounts wagered, and there were other regulations calculated to keep matters in order. At London, on June 3rd, the Hon. Mr. Raney delivered an elaborate, written address on this general subject to the Laymen of the local Methodist Conference, and handled without restriction what he called the "112 days of unrestrained gambling," legalized by statute and approved by society, in connection with the yearly Races.

He declared that Canada was being placed on the level of Cuba and Mexico; he described the gambling operations of the Jockey Clubs and Racing Associations as the "new process of millionaire-making through a business of commercialized vice"; he stated his belief that it was being carried on in defiance of the will of 90 per cent. of the people of Ontario. He claimed that the profits made at Jockey Clubs did not go to help horse-racing, proper, but into the pockets of the shareholders; that control of certain of the Clubs was passing into the hands of professional betting-house men and foreign gamblers; that the Federal amendment of 1920 was along the German line of making the practice of vice cheaper and safer; that the Pari-mutuel betting machines were gambling machines just as much as the roulette wheels specified by the Criminal Code; that the results of this gambling were tragic to many individuals and ruin to many families.

He claimed that enormous sums were made by shareholders in these Jockey Clubs and that, in 1910-1917, on an investment of $10,000 the members of the Ontario Jockey Club drew cash and stock dividends, from "their betting-house business," of $710,000, with the stock dividends worth more than cash—and that this was an average of more than $100,000 profit a year, or 1,000 per cent. per annum on the investment; that at the Hamilton Jockey Club the investment was $4,000 and on this original amount the Club had paid $378,300 in cash dividends between 1910 and 1917 with a capital investment in 1917 of $688,229—an average profit on investment of 3,000 per cent. The policy of

increasing the taxation on these institutions would be further developed Mr. Raney stated, and pointed out that legislation introduced in 1916 had first increased the taxes on race meetings—which had been taxed in 1914 at $500 per day—to $1,250 per day.

The revenues from this source had been as follows: 1914, $42,250; 1915, $42,350; 1916, $136,265; 1917, $100,725. The Drury Government had, in 1920, increased this tax to $7,500 per day and realized $770,000 revenue. It had also required, for the future, sworn statements of receipts and disbursements. They had hoped to altogether prohibit the operation of these "betting-houses" in the Province, but were advised by the Courts that they did not have the power in face of Dominion legislation; hence the taxation of which he was proud. He claimed, in conclusion, that there was a subtle and very serious danger in this connection: "It is the confusion of the moral standard produced by an immoral law, and by the support of that law by people of high social and political standing." This speech was, of course, keenly resented in many circles and in many influential quarters, where codes of morality were high and the belief in racing strong and sincere.

Col. William Hendrie, whose name had been connected with horse-racing for many years, who was President of the Ontario Jockey Club and whose reputation as a citizen stood high, told the Toronto *Globe* (June 5) that the percentage of profit to the shareholders in that Club did not exceed 5 per cent.; that its management included "some of our most respectable and prominent citizens"; that Mr. Raney was not in touch with public opinion and was influenced by the same feelings that made him support Prohibition; that, as to the race-tracks, people could bet or not bet, as they chose, and, so far as "rake off," or percentage, was concerned, the greater part of this went to provide the purses for the races. The Ottawa *Journal* (Cons.) asked, on June 8: "Who constituted Mr. Raney the moral arbiter, the conscience, of the Province of Ontario; in whose opinion is racing dishonourable and disreputable? Only a few, in addition to Mr. Raney, have any feeling of humiliation because there is horse-racing in Ontario."

The returns of Ontario race-tracks to the Government for the Spring season of 1921 showed varied profits—the Ontario Jockey Club $21,074, the Niagara Racing Association $11,108, Thorncliffe $40,399, and the Metropolitan $66,806. *The Mail and Empire* comment (July 16) was as follows: "It does not appear that the various Racing Associations have derived a profit out of proportion to the opportunities for amusement they have given the public. x x x Powerful influences are at work to stop the Mutuel machines, and it is generally believed that if they succeed in abolishing betting there will be no more horse-racing." It was pointed out that the money was not lost; it only changed hands. In the press of July 19 appeared a letter written by Col. William Hendrie to Mr. Premier Drury, on June 24, denying many of the Attorney-General's statements and de-

claring that, so far as the Ontario Jockey Club was concerned, it had never paid a cash dividend in excess of five per cent. per annum on the paid-up capital except during four years, when an additional 5 per cent. was paid, through the sale of some property at a profit, and that the stock dividends were due to the Woodbine property which grew in value, as the City expanded eastward, from its $150,000 cost price to the 1921 assessment of $715,040.

Mr. Raney replied in the press (July 20), re-arranged his figures and claimed that the Club's original investment of $10,000 had grown, partly as the result of land appreciation and partly as the result of betting-house profits, to more than 100 times the original investment, together with an annual cash dividend of 300 per cent. on the original investment. At a Y.M.C.A. banquet, on Oct. 3rd, the Attorney-General returned, with vehemence, to the attack, and concluded as follows: "I don't know how long the people of Ontario are going to stand for this thing, to have this Province made the meeting place, the camping ground, of a crowd which panders to certain interests." During the Elections Mr. Raney repeated his speech on this subject at several points in Ontario; on Nov. 15 the annual meeting of the Ontario Jockey Club decided to distribute $200,000 to horsemen for developing thoroughbred horses, and Col. Hendrie remarked that: "The world would be a pleasanter place if we could eliminate those trying people who cannot endure the thought of others being happy in an occupation or entertainment that does not appeal to themselves." Meanwhile, Mr. Raney had been supported by the Toronto *Star* and *Globe* and other newspapers, by Resolutions of the Toronto and Hamilton Methodist Conferences and by other similar bodies. On Nov. 14 the Attorney-General's Department announced the following table of race-track returns for two years:

Race Track	Gate Receipts 1920	Gate Receipts 1921	Amount Wagered 1920	Amount Wagered 1921
Ontario Jockey Club (Toronto)—				
Spring meeting	$ 119,737.50	$ 174,583.00	$ 2,946,902	$ 4,052,388
Fall meeting	92,818.25	163,133.25	2,780,470	4,784,986
Windsor Jockey Club—				
Spring meeting	137,156.00	140,984.25	3,854,955	3,856,820
Fall meeting	118,725.00	128,517.00	3,964,422	4,363,057
Niagara Racing Association (Fort Erie)—				
July meeting	68,024.00	111,353.00	2,323,017	3,303,962
August meeting	83,949.00	133,960.75	3,191,630	4,077,344
Kenilworth (Windsor)—				
Spring meeting	88,867.15	113,515.00	3,666,931	3,725,151
Fall meeting	125,274.00	98,872.00	3,235,386	3,207,326
Thorncliffe Association (Toronto)—				
Spring meeting	53,836.50	115,656.75	2,125,857	3,261,682
Fall meeting	57,346.75	98,390.25	2,106,967	3,246,591
Hamilton Jockey Club—				
Spring meeting	81,376.75	126,818.00	2,038,906	3,466,644
Fall meeting	82,246.75	116,718.00	2,080,509	2,973,540
Metropolitan Assn. and Toronto Driving Club (Toronto)—				
Spring meeting	28,120.00	67,121.15	1,185,102	2,399,640
Fall meeting	29,045.00	67,280.40	1,029,620	2,613,757
Western Racing Assn. (Windsor) (now Devonshire)—				
Spring meeting	84,763.50	119,958.15	2,026,102	3,525,327
Fall meeting	100,140.00	118,238.50	3,607,770	3,920,381
Total	$1,351,426.15	$1,895,099.45	$42,164,546	$56,778,596

Prohibition Incidents and Political Affairs. The Attorney-General had been behind, or heartily in accord with the movement to carry Prohibition of liquor import; he was interested in various incidents following the success of the Referendum. These incidents included the trial. on Feb. 22-24, at Windsor, of Rev. J. O. L. Spracklin, the Methodist pastor at Sandwich and Inspector under the O. T. A., for the murder of Trimble, a local hotel-keeper, in November, 1920, and the verdict of acquittal given by the jury; the announcement on June 2nd that the Government had made a profit of $400,000 through the License Board by taking out of bond, just before the Budget increase of taxation went into effect, a large amount of liquor imported for legal purposes, with, also, the application of the $1.00 increase in price per bottle to the purchasers; the resignation at this time of J. D. Flavelle as Chairman of the License Board and appointment in August of James Hales, K.C., as his successor; the resumption on Aug. 26 of the shipment of beer at Windsor to the United States, without intervention by the Attorney-General, or License Board; the seizure at Ottawa (June 4) by the Provincial Police of $715,000 worth of liquor belonging to the Ontario Export Co. and the decision in October of Magistrate J. E. Askwith that the proprietors had not been guilty of an infraction of the O. T. A. and that the liquor could be sold—as it already had been—to the Quebec Liquor Commission; the appointment of Frank Elliott (Apr. 29) to succeed W. J. Lannin as O. T. A. Inspector in the Border cities, and the vigorous protest, in May, of the Cobalt G.W.V.A. against the methods used by local O. T. A. agents in securing convictions; the announcement on July 22 that O. T. A. officials had no right to search the persons of travellers for liquor and that in future suit-cases would not be searched except for special reasons.

The decision of Judge W. E. Gundy at Windsor, on Aug. 15, in the case of the British-American Brewing Co., ordering the restoration of 100 cartons of beer to the Brewery aroused much interest and caused an immediate increase in exports and "rum-running." In this latter connection the Attorney-General at once issued instructions that all shipments of liquor leaving the Canadian shore on the Essex border by any other mode of conveyance than a public carrier, was to be seized. This action was opposed to the above and other Court decisions; the Province appeared to have no legal right of interference with shipments to the United States whether by common or private carrier. The practical point, however, was that if the liquor went over the border by common carrier it would be seized by the United States officials and if by private carrier it would be seized (if found) by the Ontario officials.

Meanwhile, the question of Medical prescriptions was being discussed by officials and by the profession. On May 28 the Ontario Board of License Commissioners announced that no physician should require to issue more than 25 prescriptions a



The Hon. Jacob Nicol, m.l.a.
Appointed in 1921 Provincial Treasurer of Quebec.



Albert Edward Phipps
Appointed in 1921 General Manager of the Imperial Bank of Canada.

month and that, after June 1st, the limit for any one physician would be 50 a month. The penalty for infraction would be loss of the privilege altogether. A statement was issued that only 8·03 per cent. of the physicians in actual Ontario practice were to-day exceeding the 50 prescriptions limit, and that, of a total of 3,421 practising physicians 903 issued no prescriptions at all, while 1,880 issued 25 or less, and 363 from 26 to 50. At the 41st meeting of the Ontario Medical Association at Niagara Falls (May 31) a Report on the Liquor Problem recommended special care and limitation in the issue of these prescriptions and enquiry in all doubtful cases; returns from 510 physicians showed 16·94 as the average number issued per month. On Oct. 1st the new Chairman of the License Board (Mr. Hales) published a statement declaring that the greater number of Ontario physicians either gave no liquor prescriptions or did not exceed 25 per month with 97 per cent. issuing less than the legal 50 prescriptions a month. This did not, however, satisfy the Prohibitionist leaders, and the *Pioneer*, on Oct. 21, urged radical action by the Legislature to meet an "intolerable situation," and quoted the following figures:

U.S.A. and Ontario Comparison	U.S.	Ontario
Total Number of doctors	152,627	3,489
Number issuing prescriptions	33,379	2,534
Number not issuing prescriptions	119,248	955
Per cent. issuing prescriptions	22	73
Per cent. not issuing perscriptions	78	27
Maximum amount of prescriptions in ounces	71,208,533	9,631,040
Average per doctor in ounces	467	2,800
Average per capita of population	·59	3·21

Other incidents included the prosecution of W. P. Fraser, Secretary of the Ontario Jockey Club, because at the Spring races two members of the Club were convicted and fined $200 each for drinking out of a flask on the Club premises, with the result of Mr. Fraser's conviction and a fine of $1,000 followed by an appeal and the quashing of the conviction (July 29) by Judge Morson—Mr. Fraser issuing a statement that "it was admitted by the Attorney-General's officers in the Police Court that the O. J. C. had done everything in its power to prevent liquor being taken to the Woodbine, and that in the face of this the Secretary of the Club was fined $1,000, while those guilty of the act were let go with a minimum fine of $200." Mr. Raney, on July 1st, received Marshal Fayolle of France on behalf of the Ontario Government, and made a formal speech of welcome; on July 28 he announced a List of 91 new King's Counsel, and issued correspondence which described their selection by a Special Committee composed of Sir W. R. Meredith, Sir William Mulock and Dr. John Hoskin.

The Attorney-General and Provincial Treasurer, on Nov. 2nd, received protests from a large Deputation, representing the cities and towns of the Province, against the municipalities being compelled to pay to the Government all Police Court fines other than those for prosecutions under Civic by-laws, and Mr. Raney suggested a Commission to investigate the matter. About

this time the Attorney-General received from A. H. O'Brien, K.C., a Report as to the advisability of "blue sky" legislation in Ontario. Mr. O'Brien pointed out that, before even attempting to draft a Bill, there should be an examination of existing types of legislation from a practical standpoint; he had found the choice resting between two types of legislation, the one known as the "Fraud Act," adopted in three American States, and the wider type of "blue sky" legislation, adopted in some 40 States and in 3 Canadian Provinces. The latter method involved approval by the Province of all Stock issues and the issuing of a certificate before stock could be offered for sale. The former provided authority for the Attorney-General to prevent the sale of Stock to the public in cases where it was reported that any fraud or false pretense was being employed.

Ontario Agriculture; Mr. Doherty and His Department; The U.F.O.

It was not a good year for the farmer in Ontario. The crops were light and the decline in prices persistent; potatoes were an exceptionally poor crop, and all grains were short except corn; sugar beets were low in production and value and Live-stock suffered severely in price and in demand, while hogs were badly affected by the falling prices; conditions in cheese export were unsettled, and the fruit yield was uncertain and uneven. The year 1920 had seen a decrease in value of Farm production from $397,238,400 to $367,608,619, according to Ontario official figures, while the values of Live-stock on hand had decreased slightly from $339,607,932 to $326,737,337. But these changes were trifling compared with 1921 values; the combination of poor yields and low prices gave a severe set-back for the farmer. Live-stock also showed a great change—even the numbers being reduced. Horses in 1921 numbered 694,237 compared with 704,640 in 1920; cattle increased slightly from 2,881,827 to 2,890,113 in number; sheep fell from 1,129,084 to 1,081,828 and swine from 1,614,356 to 1,563,807. Poultry increased slightly from 11,005,845 to 11,458,206. Values fell $8,000,000, with the total in 1921 for Horses $66,349,000; Cattle $128,767,000; Sheep $8,249,000; Swine $20,659,000. These were Federal figures, which usually differed from Provincial statistics—though both were official. The Dominion Bureau of Statistics figures as to Field crops in 1921 showed a total value for Ontario of $236,907,000, as against $375,746,900 in 1920 and $383,573,900 in 1919. The details were as follows.

Field Crops	Area Acres	Yield per Acre Bushels	Total Yield Bushels	Average Price per Bushel	Total Value
Fall Wheat	621,420	22·00	13,667,900	1.05	14,362,000
Spring Wheat	152,904	12·50	1,907,500	1.06	2,014,000
Oats	3,094,958	23·40	72,575,000	.47	33,774,000
Barley	462.176	22·00	10,149,000	.63	6,390,000
Rye	122,868	14·50	1,775,600	.88	1,571,000
Peas	105,964	13·60	1,441,100	1.50	2,166,000
Beans	26,509	16·10	427,500	2.35	1,006,000

Field Crops	Area Acres	Yield per Acre Bushels	Total Yield Bushels	Average Price per Bushel	Total Value
Buckwheat	147,944	22·70	7,353,800	.72	2,416,000
Mixed Grains	618,289	26.20	16,188,500	.58	9,373,000
Flaxseed	7,534	8.90	66,700	1.58	105,400
Corn (for husking)	250,684	54·00	13,542,000	.72	10,750,000
Potatoes	164,096	93.80	15,400,000	1.00	15,400,000
Turnips, mangolds, etc	104,157	351·25	36,586,000	.35	12,805,000
		tons	tons	per ton	
Hay and Clover	3,551,655	1·11	3,954,200	21.25	84,027,000
Alfalfa	177,205	2·58	456,400	20.00	9,128,000
Fodder Corn	438,343	11·44	5,015,100	6.50	32,598,000
Sugar Beets	28,367	9·45	268,000	6.50	1,742,000

The Fruit interests of Ontario had met in recent years with many difficulties, and one of the first efforts of Hon. Manning Doherty as Minister of Agriculture was in the organization of this industry along business and co-operative lines. According to figures published by the Ontario Agricultural College (September, 1921) 129 Niagara District farms, in the heart of the fruit country, covered 4,788 acres, with 3,975 acres in crop, and a total capital employed of $2,809,655, or an average of $21,755 per farm averaging 37 acres; the real estate value of these properties was $2,450,800, the farm revenue was $824,350, the running expenses $435,927, the Net farm Income was $334,615 and the Labour income $194,133.

The Niagara Fruit Growers' Association met at Grimsby on Jan. 20 with F. A. J. Sheppard of St. Catharines in the chair. A Resolution was passed asking the Dominion Government to compel basket manufacturers to mark on the bottom of baskets, made by them, their names or some distinguishing mark with, also, the year of manufacture; Express Companies, it appeared, were losing much money through accepting shipments in baskets not up to any specific standard. Another motion eulogized Mr. Doherty, Minister of Agriculture, "who has manifested such a keen interest in the welfare of the Fruit-grower and is making such a profound effort to better the Growers' living and financial conditions, by assisting in the formation of a marketting organization to be known as the Niagara Peninsula Growers, Ltd." J. P. Bridgeman of Winona was elected President for 1921.

Mr. Bridgeman, on the 21st, met T. J. Mahoney, President of the Niagara District Grape Growers, Ltd., at Stoney Creek and virtually completed organization of the above-named as a Co-operative selling organization aiming to handle and market all the fruit grown in the Niagara district. There had been a Conference in the afternoon with Hon. Mr. Doherty in Toronto; Mr. Mahoney declared that the Growers had determined to control the grape crop of Niagara, as they believed that the men who produced the crops were entitled to dictate the price—not the wine manufacturers or the grape juice interests. In the Legislature, on Feb. 23, W. J. Bragg of West Durham (Lib.) moved and carried a Resolution urging an Enquiry into conditions abroad affecting prices of apples and other fruits to the Canadian producers. Mr. Doherty, in comment, stated that this

question had been the subject of a close enquiry by his Department. He would like to see a strong organization formed, of all the Fruit-growers of the Province, which would market the fruit and arrange for transportation. As for the high prices charged in Britain for Canadian apples, he admitted that they had the effect of restricting the sale: "The fruit trade in Britain is controlled by a powerful ring, and the only thing for Canadian growers to do is to organize along Co-operative lines and fight the ring as British growers are already doing."

Meantime, the Niagara Peninsula Growers, Ltd., was taking root. Dr. G. C. Creelman, ex-President of the Agricultural College and Agent-General in London, resigned the latter post to take the general management at the end of February, but two months later had to give it up owing to ill-health. Mr. Doherty was then offered $12,000 a year to undertake the work, but declined; on May 9 the appointment of T. J. Mahoney of Stoney Creek was announced at a Grimsby meeting, and organization was completed by the election of Lieut.-Col. H. L. Roberts, Grimsby, as President. On Nov. 1st, following, Mr. Mahoney was able to issue a statement showing the handling of 163 carloads of apples, 326 of grapes, 510 of peaches and 428 cars of other fruits. He mentioned the curious fact that British Columbia apples were driving the Ontario product out of its own local markets and commanding higher prices; at the same time, the Ontario apple, through the Fruit Growers' Association, had won the £100 Silver Challenge Cup at the National Apple Exhibition, London, in October, with 4 1st-Prize gold medals, 5 2nd-Prize silver medals, and one 3rd-Prize bronze medal also won.

Other agricultural incidents of the year included the statement of President J. R. Reynolds of the O. A. C., Guelph, (*Farmers' Sun*, Apr. 2nd) that a man must have an investment of about $12,000 in his Ontario farm to derive the moderate income of $1,000 a year clear; the appointment of Lionel Stevenson, B.S.A., (Jan. 25) to the new post of Secretary and Supervising Director of the Department of Agriculture and with a view to bringing about greater co-operation and co-ordination in the work of its branches; the election of J. A. Boag, Queensville, as President of the Ontario Horse-breeders' Association, of J. B. Spencer, Ottawa, as President of the Ontario Agricultural and Experimental Union, of F. C. Matheson, Powassan, as President of the Ontario Ranchers' Association, of W. J. Connelly, Cobden, as President of the Ontario Association of Fairs and Exhibitions, of W. W. Webster, Little Britain, as President of the Ontario Beekeepers' Association, of Arthur Gibson, Ottawa, as President of the Entomological Society of Ontario. According to figures compiled and issued by the Dominion Bureau of Statistics, the Agricultural revenue of Ontario farms over a four-year period ending in 1921, and indicating, also, the deflation in prices, were as follows:

Items	1918	1919	1920	1921
Field Crops	$384,014,000	$383,574,000	$375,747,000	$239,627,000
Farm Animals	68,916,000	70,228,000	59,953,000	36,051,000
Wool	3,949,000	3,542,000	1,663,000	615,000
Dairy Products	102,216,000	130,041,000	124,947,000	124,947,000
Fruits and Vegetables	17,200,000	17,200,000	17,200,000	17,200,000
Poultry and Eggs	14,400,000	14,400,000	16,200,000	19,800,000
Fur Farming	11,000	11,000	52,000	58,000
Maple Products	750,000	1,000,000	1,255,000	1,340,000
Tobacco	1,950,000	8,840,000	3,253,000	1,780,000

Mr. Doherty's Visit to England. The Minister of Agriculture continued his Cattle Embargo agitation during the year and, in order to make his protests more effective, went to England late in February; he had received several cablegrams urging him to be a speaker at the mass-meeting called for Mch. 8, in London, to demand the removal of the Embargo. The Legislature discussed the subject on Feb. 25, and both Liberal and Conservative speakers opposed this action as being an interference with the internal politics and government of Great Britain. J. C. Tolmie (Lib.) stated that the issue was a political one in England and that under such conditions to let the Minister go would be an impropriety: "It is unbecoming for this Government to get mixed up in a political discussion in Britain." Howard Ferguson (Cons. leader) took the ground that, in any case, the matter was one for Federal action; Thomas Crawford (Cons.) and R. R. Hall (Lib.) added their protests. Mr. Premier Drury simply pointed to the coming exclusion of Canadian cattle from the United States market: "It behooves us in this case to have an alternative market ready."

Mr. Doherty spoke at the London meeting with several prominent British representatives and made this concise statement: "Canada has never had a single, solitary, case of pleuropneumonia or of foot and mouth disease in her own herds since the Embargo was instituted. The only cases we have had in Canada have occurred in quarantine at the Port of Quebec, and only in the case of animals that were being imported into Canada from Great Britain. These diseased animals were immediately destroyed." He went on to speak of trade: "I believe in the future of the British Empire—an Empire which is held together by bonds of blood and sentiment. But I, for one, want to see these bonds supported by a great and flourishing trade between the various parts of that Empire." Further on in the speech he said: "The herds of Canada to-day are better than they ever were. I do not mind prophesying that if the Embargo were removed Canada could send this country between 200,000 and 300,000 store cattle during the first year and, if the farmers of Canada were assured that they would have a steady market in Great Britain, inside of five years the number of store cattle available would be raised to 500,000 a year."

The Minister took great interest in the question of Immigration, and believed that it was essential in order to keep up the farm production of the Province. Just before leaving London he told *Canada*, a weekly journal, that he had, recently, been

occupied with the satisfactory settlement of organized parties of emigrants who were leaving for Ontario and, also, with arranging for more systematic co-operation between Fruit-growers in Ontario and wholesale importers and distributors in Britain. As to the Embargo: "I have been everywhere received with the greatest courtesy, and those who are opposed to the removal of the Embargo have been foremost in desiring to have from me all the official data available. The idea that danger from disease is a reasonable ground for its continued enforcement has, I think, been finally dispelled. I go back with a still stronger belief in the vital necessity, during the next few years, of all of us doing everything possible—we overseas, you here—to develop trade within the Empire—exports as well as imports." In March the first party of ex-Service men for Ontario farms arrived and were distributed under careful direction.

Addressing the Toronto Board of Trade on Apr. 22, after his return, Mr. Doherty expressed impatience with the press reports as to hundreds of men walking the streets of the big cities looking for work: "It is particularly difficult to understand how such a condition of affairs can exist, when I am constantly besieged with applications from farmers who want workers on the farms. Hundreds of farmers are imploring the Department to find help for them. If those workless men would get out and take the kind of a job they could get, and work up to something better, as all of us have had to do, the country would be much better off." He stated that, for the year ending November, 1920, the Department had placed 1,967 men on the farms, in addition to families, and that they brought with them capital of over $500,000. Since November, the Government had placed 1,500 more men, all of whom had capital. In other speeches during the year Mr. Doherty followed up these ideas and, to a National Exhibition luncheon (Sept. 9), he declared that "the greatest problem confronting the Provincial and Federal Governments is to find the best markets for our products," and asserted that the British market was the greatest and best; that, however, "our marketting in Great Britain is badly done and our methods fall far below the methods of New Zealand, for instance."

On Sept. 27 the Minister announced that Ontario was about to commence a campaign to place 5,000 British farmers on 5,000 Ontario farms and that Agent-General W. C. Noxon, in London, would handle the advertising programme in Great Britain. Facts and not fiction would be the basis of their literature. Mr. Doherty continued to be a strong advocate of co-operation, and followed up his efforts as to Niagara fruit with other proposed arrangements. On Nov. 24 he urged the Ontario Beekeepers' Association to form an organization along the lines of the Niagara Peninsula Fruit-Growers, Ltd. The principle of Co-operative selling was duly embodied in a Resolution.

The Ontario Agricultural Loan Scheme. In the Legislature, on Feb. 11, the Minister of Agriculture presented the Report of

the Committee on Rural Credits as prepared by Thomas McMillan, M. H. Staples and Prof. W. T. Jackman. The 45 pages of this document contained exhaustive information regarding the whole question and the operation of such schemes elsewhere. Briefly, the Committee recommended the establishment of Rural Credit Societies, somewhat similar to those operating in Manitoba, and, also, of a "Savings Institution" in the nature of a Provincial Bank which would become a reservoir for deposits made by societies or individuals. While debarred by the Bank Act from using the title of "bank," this Savings centre would receive deposits, advance loans, pay interest, and otherwise act, in the fullest sense, as a Chartered Bank, for the purposes of patrons of Rural Credit Societies. As to these Societies, the Report recommended some changes from the system operating in Manitoba.

It proposed that every Society should be responsible for passing upon the applications for loans in its neighbourhood, as in the Western Provinces, but would have all the shares held by farmers, themselves, instead of, as in Manitoba, where one-half was held by farmers and the other half divided equally between the municipality and the Government: "Our object in making this change would be to keep the Society clear of any complication with the Government or with the municipality, and *vice versa.*" A further change from the Manitoba system was one providing that, of nine Directors to each Unit, six should be chosen by farmers and the other three by such organizations or associations as were best calculated to understand and promote agricultural interests. This proposed system would provide short-term credits to the farmer for the purchase of seed, stock, implements, fertilizers, etc. For the equally necessary long-term credits upon which the farmer would depend for financing permanent improvements or the acquiring of fixed assets, special provision was proposed.

In this connection the Report reviewed the alleged defects of the present system, with mortgages held by private individuals, and pointed out, also, the danger of any Government assuming "the active direction of Farm Loans." It recommended instead, "the organization of a Land Mortgage Bank to act in conjunction with Rural Credit Societies." This bank, the Committee advised, should have a capital stock of $500,000, subscribed and taken by farmers and payable in installments of about 25 per cent. When one-half the stock had been paid in the Bank might begin to function. By massing mortgages as securities it could issue debentures which would be sold to farmers and others, and the funds obtained from the sale of these be used to make further loans. Loans, which should be on the amortization plan, would be for periods of 5 to 30 years. As to this, the Report stipulated that it would be unwise to begin operations with a lesser amount than $500,000; that the maximum dividend should be fixed at seven per cent.; that there

should be established from the outset a Reserve fund account by setting aside semi-annually, from profits, 25 per cent. of net earnings until the credit balance was equivalent to 25 per cent. of the outstanding capital stock; that Land Bank bonds be not tax-exempt; that the Bank be incorporated under Ontario, not Dominion, statutes and, finally, that the Directors be "men of large vision, of the greatest business ability, and of sympathetic interest in Agriculture and all its problems."

The reasons given for this elaborate plan—a reversal in many respects of the principles underlying Canada's existing system of Banking—were that: (1) "We realize that the Bank Act, enacted when Canada was a young country and much smaller than it is to-day and when its agriculture was primitive, was designed to serve the commercial interests"; (2) that as Chartered Banks did not usually lend for more than 90 days, or 180 at the outside, the farmer who needed longer accommodation, could not obtain it; (3) that because the Bank Act only mentioned farmers, specifically, in two cases, therefore, they were excluded from all the other clauses and provisions of the Act. The conclusion of the Report was that: (1) Legislation should be passed to embody the foregoing principles into a sound and carefully devised system by which Agriculture could receive the financial assistance which it has been too long denied; (2) provision should be made for and encouragement given to the formation of Rural Credit Societies as the basis upon which to develop a safe and adequate extension of short-term credits, along the lines outlined above."

On the 14th the Minister introduced in the Legislature 3 Bills establishing the new policy and an institution to provide means for financing the System. The first measure, as finally passed, was called *The Agricultural Development Finance Act, 1921*, and it empowered the Provincial Treasurer to borrow money by means of deposits received at Offices which he could open in Ontario—the rate of interest paid not to exceed 4% per annum—for the following purposes: (1) Loans to members of Associations under the Ontario Farm Loans Act, 1921; (2) Bonds or debentures issued under the Agricultural Development Act, 1921 (as below); (3) Bonds or debentures of, or guaranteed by, the Dominion or any Province; (4) Bonds or debentures of, or guaranteed by, any municipality or School Section of the Province of Ontario. The Second measure was termed *The Agricultural Development Act, 1921*, and provided for the establishment of the Agricultural Development Board, under the Department of Agriculture, to consist of three persons appointed by the Lieut.-Governor-in-Council, and whose duty it was to promote Agricultural development by means of loans. It was given power to issue bonds to the amount of $500,000, and debentures on which payment could be guaranteed by the Province with the proceeds to be used in making loans for the following purposes:

(1) Acquiring land for Agricultural purposes.
(2) The erection of farm buildings essential to production.
(3) To pay off charges existing against land at the time of acquisition by the borrower under a will or by descent.

For any Loan made under the Act the Board could accept any security it deemed fit as collateral. It was given power to appoint Qualification Committees, composed of at least three competent persons, two of whom should be farmers, to examine applicants for loans, who might be required to appear in person to submit satisfactory evidence: (a) That he was a British subject, of 21 years of age, and a resident in Ontario for at least three years; (b) that he had had at least three years' experience in farming; (c) that he was of good character; (d) that he was actually engaged, or intended to engage, upon the land which was the security upon which the advance was given. Conditions of a loan to one person included its limitation to $12,000 and a period of 5 years, with a security of not less than 50 acres of land and secured by a first mortgage on this or other agricultural land. Other conditions required competent valuation of land offered for security and the insurance of buildings; that mortgages under this Act were to be in accordance with The Short Forms of Mortgages Act; that Loans, if misapplied, should be recovered; that additional revenues of the Board should be transferred monthly to the Consolidated Revenue Fund.

The third measure was entitled *The Ontario Farm Loans Act*, and its provisions authorized the establishment and incorporation of Farm Loan Associations—similar in most respects to the Rural Credits Societies of the West—the capital of which should be made up by issuing $100 shares, one to each member, with not less than 30 members to an Association. The amount subscribed was to be supplemented by an equal amount provided equally by the Municipality and the Province. The Board of Directors were to pass upon all loans, which would remain in effect for the calendar year for which they were issued. These loans were limited to a maximum of $1,000 per individual member for such current expenditures as: (1) Purchase of seed, feed, fertilizer and other supplies; (2) purchase of implements and machinery; (3) purchase of live-stock; (4) payment of cost of carrying on farming operations and for the cost of preparing land for cultivation. The interest charged was not to exceed 7 per cent. and the goods purchased by the borrower were subject to lien and could be supplemented by such additional security as the Directors deemed necessary, including mortgages and assignments of real and personal property. The Provincial Treasurer was authorized to loan money to an Association for the purpose of assisting it to carry on its business, and the Minister of Agriculture could also enter into agreements with Banks and Loan Companies for securing moneys for the use of these Associations.

Prof. W. T. Jackman defended these proposals in an address at the University of Toronto on Feb. 16, and pointed out

that, under present conditions, the individual farmer had only himself to depend upon, and that a Bank looked upon security as the first consideration in making a loan. The aim of Rural Credit Societies was to eliminate risk as far as possible by having a group stand back of the loan granted to the individual farmer, and the best way this could be accomplished was through the organization of Rural Credit Societies. The system had been tried out and proven in Europe, Asia, in the United States, and in parts of Canada. He intimated that the Government intended opening deposit centres at which they would pay interest at the rate of four per cent., and give checking privileges as with a chartered bank. Deposits would be taken, not only from people living in the country, but from people living in villages, towns and cities, and these deposits used for the purpose of making loans to farmers under the new System. The legislation passed in due course without serious opposition, or any division of the House, and the three Acts received the Royal assent on May 3rd.

On Aug. 18 the appointment was announced of A. G. Farrow, Oakville, a well-known agriculturalist, a Director of the U.F.O. and Live-stock breeder, as Chairman of the Agricultural Development Board and chief administrative officer of the new short and long-term loans to farmers. Mr. Doherty, in stating the appointment, announced that the policy of the Government was to proceed on safe and sound lines: "While it is hoped that the additional facilities will be of benefit to Agriculture, every necessary step will be taken to fully safeguard the interest of the Province. The administration of the two Acts providing for two separate systems, are combined under one administrative body instead of two, as in other places." The popular name of Provincial Savings Bank was bestowed upon this institution as it developed. Meantime, Mr. Doherty claimed, at Vineland on Aug. 22, that the present Banking system was entirely unsuitable for agricultural requirements and criticized the existing system of borrowing, through brokers, the money needed for School, Civic or Provincial purposes: "Let us cut these unnecessary middlemen and secure the money direct from the people."

The Act went into force on Oct. 4, and on the 12th M. E. McKenzie was appointed Director of Sub-Treasury Branches for the Province and to manage the Deposit system branches announced in connection with the Rural Credits scheme. On Dec. 10 another step was taken and nine cities, in addition to Toronto, were selected by the Ontario Government Savings Bank Department as strategic points at which to open up branch deposit institutions in connection with the new banking system; these cities were London, Ingersoll, Woodstock, St. Catharines, Guelph, Ottawa, St. Thomas, Kingston and Hamilton. There was, of course, opposition expressed to this policy but not a great deal of it in public. Some financial journals criticized

the scheme and individual financiers deprecated it as a doubtful experiment. The chief reasons given were (1) the establishment of Banking facilities under Government control which would involve a large and growing staff of highly-paid and expert officials to provide services already given by the Banks; (2) the claim that the Government would not be able to get money on deposit in preference to the Post Office Savings department or the Banks of the country, unless a higher rate of interest was paid by the Province than was offered by the other institutions; (3) the statement that if the Province offered a sufficiently high rate to induce depositors to change their deposits to the Government, the cost of business and management would render loaning at a low rate of interest absolutely impossible—unless the general tax-payer were called upon to pay the difference; (4) that if money did come in freely a final result would be seen in the Government lending these moneys, or a portion of them, to itself.

The Highways of Ontario and Mr. Biggs' Policy; Mineral Production of 1921.

The Hon. F. C. Biggs was Minister of Public Works and Highways, but during his two years in the post his public energies were devoted most largely to the latter subject. In the fiscal year 1920 (Oct. 31) the Department of Public Works expended $1,955,951, of which $1,239,824 went to public buildings, $402,279 for maintenance of Government buildings in Toronto and $313,846 on the Engineers' branch—covering, chiefly, Northern Ontario with construction of roads and bridges and drainage of lands. The 1921 figures were not yet published (June, 1922) at the time of writing, but R. P. Fairbairn, Deputy-Minister, issued a statement showing that moneys expended since Confederation, in 1867, were $27,004,052 upon Public buildings, $4,581,398 upon Improvements to Inland navigation, $9,813,113 upon Colonization and Immigration, $13,182,877 upon good roads and Highway improvement (prior to formation of Highway Department), and $10,257,258 upon aid to Railways—a total of $74,838,701.

The latest available Report of the Highway Department was for 1919, and in that year the total expenditure upon County Roads, of which there were 9,953 miles, was $816,041 for maintenance and $2,623,719 for construction—there had been expended in 17 years a total of $17,000,000 by the Counties of which the Province repaid 6½ millions; the Provincial Highway system was under way with 422 miles constructed at a cost of $1,244,002 and comprising the main road from London *via* Ingersoll, Woodstock, Paris and Brantford to Hamilton; from Hamilton *via* Grimsby and St. Catharines to the Niagara River at Queenston; from York County (River Rouge) easterly, following the main road along Lake Ontario and the River St. Lawrence to the Quebec boundary; and from Prescott to Ottawa. The Dominion Government had set aside $20,000,000 to

aid Highway construction and the Ontario share was $5,800,000. One phase of Mr. Biggs' energetic effort* for 1921 was to develop the use of the Dominion contribution to its full extent and to provide Ontario's share (60 per cent.) of the expenditure. In 1920 he had elaborated plans for the construction of 1,824 miles of Provincial Highway with an estimated expenditure of $14,000,000 in two years; assisted by W. A. McLean, his Deputy-Minister, and backed by the Government and Legislature, he developed and extended this policy in 1921; part of the expenditures were included in the arrangements with the Dominion.

Of course there was criticism, and a rather striking one was that of Gordon C. Wilson (Wentworth) in the Commons on June 1st when he accused the Ontario Minister of building the Hamilton-Brantford highway at an extravagant expense with, in one section, 4,100 feet constructed at a cost of $123,850; he charged, also, that Mr. Biggs, in connection with a certain contract, went to a truck dealer named Parkin in the town of Dundas and, without advertising for tenders, awarded the contract to him for $117,500; he alleged that on the Hamilton-Kitchener roadway the Minister had commenced laying the bithulitic pavement from the gate of his own farm near Dundas and that he had built other roads so as to specially favour the town of Dundas. Before concluding his speech, Mr. Wilson burst into rhyme about "roads to the right of him," etc.; Dr. J. W. Edwards, who continued the criticism, also added rhymes about "the Roads that Biggs Built," which created great amusement. The excuse for this discussion was the Dominion payment of 40 per cent. of the expense of these Highways.

Mr. Biggs replied, vigorously, on June 11, with an unqualified denial while declaring the statements to be "spurious and misleading." He commenced by saying that: "Those who are familiar with the Department of Provincial Highways will realize that the present road-building policy is but an elaboration of the one laid down by the late Government. Now it is being pursued with vigour." He then pointed to the peculiar position of Wentworth in the Province, as being near to Hamilton, at the end of Lake Ontario, and therefore a radiating point for Provincial highways through a large district. Wentworth County provided the gate-way to Hamilton. The geographical features were also unusual, with high hills and marsh lands leading out of the city. He declared that the cost of road construction was higher in Wentworth than in other Counties because there was no gravel of any kind, which necessitated long hauls; because, also, of the hill country and the numerous waterways compelling "cuts and frills," and many bridges.

As to the personal charge of putting a road through his own property, Mr. Biggs said that it was not a Provincial highway, but a County highway; that the first effort to open the road was made in 1917 by the County Council and approved by

*Note.—See Ontario Section of the 1920 volume of *The Canadian Annual Review*.

the Hearst Government in 1918, before he was even a member of the Provincial Legislature. The bridge which Mr. Wilson said was built to provide a "cattle run" for Mr. Biggs' farm was, also, built by the County, and was really a bridge over a creek, and of no use to him. As to the commencement opposite his farm, the Minister stated that the plans of the Provincial Highway engineers called for the construction of the Hamilton-Dundas-Galt highway in divisions, and that the second division started from Christie's Corners, where he lived and had lived all his life, to Dundas; work on this section was commenced at the Corners, and the contractors worked from there toward their base of supplies—Dundas. On the third division the work also commenced at Christie's Corners, because the base of supplies was located at Rockton, where the Government owned a splendid quarry. As to favouring his own County, Mr. Biggs stated that Wentworth was 8th in the list of Counties with only 64 miles of highway under construction.

At Brampton, on July 21, Howard Ferguson, the Conservative leader, reiterated the charge of Highway extravagance and the statement that: "Although the Minister of Public Works spent about 7½ millions last year on roads, I would like somebody to tell me where, outside of the County of Wentworth, there are any good roads!" He contended that, already, Mr. Biggs had entered into Highway agreements covering 541 miles of Provincial Highway and exhausting about $4,000,000 of the Dominion appropriation. On the same basis the balance of Ontario's share would provide Dominion subsidy for about 271 miles more, so that the entire amount available to Ontario from the Dominion would be exhausted on a stretch of 812 miles. There was, therefore, 1,000 miles of Provincial Highway for which there would be no Dominion assistance. The Minister's answer to these and other criticisms was, chiefly, that it would all turn out right in the end, and that many and varied bits of separate construction were under way and could not be judged until they formed parts of a completed whole.

As to specific matters, he wrote a further reply to Mr. Wilson's charges, on Sept. 23, and stated that, practically, all Departmental equipment was bought in Canada and no overhead expense, other than field engineering, was charged to Highway construction; that various amounts, according to the class of machinery, were written off equipment-values for depreciation; that no objection had been raised by the Dominion Department of Highways to the change in specifications of the Hamilton-Brantford road. Before the Public Accounts Committee (Apr. 1st) of the Legislature Roy Reynolds was summoned to testify in connection with the sale to the Government of $117,000 worth of trucks by L. C. Parkin, a Dundas garage owner, whom he had recently sued for recovery of commissions. He said that he had helped to arrange a $3,000 cash-or-car bonus on account of the sale in which, he understood, the Minister was to share. Later,

he stated, in reply to definite, point-blank questions by Hon. Mr. Drury, that at no time, or in any manner, had Mr. Biggs approached him regarding a bonus or bribe; he had in no way been assured that the Minister would accept anything that might be offered to him.

Parkin, on his part, strongly resented this evidence and claimed (Apr. 3) that at no time or place was any proposal of a car or a cash present for Mr. Biggs made: "I never mentioned such a thing, and I want to say that Mr. Biggs never mentioned such a thing either." Mr. Biggs, on Apr. 6, testified as to the matter. He explained his acceptance of the Parkin tender for 12 trucks on the ground that the price was as low as could have been secured anywhere in Canada, and that, price-level being assured, he saw no reason why "a young Dundas man beginning in business" should not secure the contract from the Government. He categorically denied Reynolds' statements. The comment of the Toronto *Globe* (Apr. 4) was that "there is not a scrap of evidence" that Mr. Biggs was aware of these bonus proposals.

Meanwhile, the Minister had continued his active work of supervising road building. On Jan. 7 he spent the day listening to the pleas of Deputations from various sections, who requested route changes in the proposed programme or additional financial assistance; on the 22nd he stated to the Press that over two million dollars' worth of road and culvert work was being hurried along to assist in meeting unemployment conditions; tenders which, ordinarily, would not have been dealt with until March were under consideration and allotment had been made of more than half a million dollars' worth of culvert work, with selection of the probable successful tenderers on $1,600,000 worth of road work. On Apr. 16 it was announced that the proposal of the Theodore Roosevelt Highway Association to link up Ontario with the Transcontinental Highway from Portland, Maine, to Portland, Oregon, in memory of the former President of the United States, was under consideration, but that the Department had positively refused permission to have the poles along the Ontario part of the route branded with a "T. R." Following the Wilson criticisms Mr. Biggs, on June 16, took a party of representative people over the Provincial Highways in the Hamilton-Dundas district. They visited the various points under discussion, including the Minister's farm.

Other incidents of the year included a Deputation of 100 leading citizens from Simcoe, Dufferin, Bruce, and Grey Counties which asked the Minister (July 26) to take over as a Provincial highway the through-road connecting these Counties, and were told that the matter was not yet practicable; Mr. Biggs' speech at the Exhibition luncheon, on Aug. 29, in which he expressed strong belief in the possibilities of the motor truck, as an aid to farmers in the carrying on of their work, and in the development of the rural parts of the country, and earnestly urged improve-

ments in the Highways, which would make it much easier for the farmers to get their produce to market *via* the motor truck; a statement in the press, on Sept. 12, which showed the immense variety and number of isolated bits of road-work under way from Toronto to the Quebec boundary; the desire expressed by Mr. Biggs at a Barrie U. F. O. meeting, on Sept. 22, that people should not form opinions on half-finished bits of road, and his claim that the Provincial Highways were designed to carry 90 per cent. of the traffic, and to serve all the people of the Province, both urban and rural, and that permanent roads would mean better transportation, increased marketting facilities and reduced cost of upkeep for both roads and vehicles.

At this Barrie meeting the Minister predicted that in a few years touring motorists would be spending at least $50,000,000 a year in Ontario—much of it in food and to the great gain of the farmers. Whitby, on Sept. 29, celebrated the completion of 1¼ miles of a splendid local motor-roadway, and Mr. Biggs foreshadowed the early taking over of a road from Whitby to Lindsay, a 45-mile stretch, as a Provincial highway, so that touring United States motorists might find their approach to the fine chain of the Kawartha Lakes facilitated. The Minister congratulated Whitby on being the first municipality to make a contract with the Highways' Department under the co-operative scheme for meeting costs. A part of the Dundas Street Highway between Toronto and Hamilton was officially opened by Mr. Biggs on Oct. 1st, and he told the gathering that if it did for Dundas Street what the Toronto-Hamilton Highway had done for that route, the value of the land would be doubled five times. He also stated that the cost of building roads had increased; cement and stone were much higher than they used to be, and labour had almost doubled.

On Nov. 22 it was announced that the Ontario Government had decided to abolish the Toronto-Hamilton Highway Commission, and that, as the Highway was fully completed, the time had arrived for making the work of the Commission a part of the duties of the Ontario Highways Department. At the same time, it was officially stated, arrangements had been completed for construction of about 75 miles of roadway throughout Ontario at a cost of $4,500,000 and to include 39 miles of concrete pavement, 25¼ miles of asphaltic concrete and 12 miles of bituminous penetration. In Toronto, on Dec. 14, the United Farmers of Ontario passed a Report of their Road Committee, which declared that: "The Provincial County Roads should be incorporated in the Provincial Highways System, and the County Roads should revert to the Municipalities or Townships." Briefly stated, the grounds for this conclusion were as follows: (1) The duplication of road machinery; (2) the duplication of road officials; (3) the unfairness in distribution of improvement and maintenance under the present County system; (4) the additional economy found to result from direct Township supervision of township roads.

Mining in Ontario; The Porcupine and Cobalt. The Department of Mines, with the Hon. Henry Mills as Minister, and T. W. Gibson, the experienced Deputy-Minister, maintained its reputation in 1921 for excellent publications relating to this important interest of the Province. The monograph by A. G. Burrows relating to Gowganda and other Silver Areas of the North, that by P. E. Hopkins dealing with Ontario Gold Deposits, that of E. S. Estlin on Natural Gas and Oil Field Operations, and that of A. A. Cole dealing with the Mineral Areas touched by the T. and N. O. Railway, were especially useful. As to Gowganda, an area of silver-bearing diabase situated in the south-west part of the District of Temiskaming and forming part of the Timagami Forest Reserve—the Lake being about 50 miles from Cobalt—shipments of a kind had been made from the district since 1910.

As Mr. Burrows pointed out, they were chiefly from properties in the vicinity of Miller Lake and west of Gowganda Lake, together with a few isolated shipments from outlying townships. The great preponderance of ore came from northwest of Miller Lake, and several lots of high-grade ore were shipped from the Mann ridge, west of Gowganda Lake. From 1910 to 1912 the Millerett mine was the chief single producer—the ore coming from a shoot in the conglomerate which produced 500,000 fine ounces. The Miller Lake-O'Brien also supplied a good deal of silver ore and produced continuously from 1910 onward. The latest property to make shipments was the Castle—ore being obtained not only from the diabase sill but from the Keewatin.

The gold resources of the North country were proving notable at this time, with the Hollinger Mines as one of the great producers of the world. There had been gold discoveries in Ontario tracing back for 50 years—Lake of the Woods district, around Rainy Lake and neighbouring areas, on the North Shore of Lake Superior. Between 1905 and 1918 a series of discoveries and mines resulted from the Cobalt prospecting work, with Porcupine, Kirkland Lake and Swastika the best known. As P. E. Hopkins stated in his Report: "Porcupine is by far the largest producer—the principal mine, the Hollinger Consolidated, being one of the great gold mines of the world. Ontario now leads the other Provinces of Canada, and every State in the United States, excepting California, in production. There is every reason to believe that its gold production will continue to increase for some time." Up to 1911 gold mining in Ontario was, on the whole, not profitable. From then the industry flourished, and the 1913 production, $4,558,518, almost equalled the entire output up to that year and from the time gold was first found in the Province in 1866. In 1920 the gold production exceeded the Silver output for the first time since Cobalt was discovered in 1903.

The total production, from 1866 up to the end of 1921, was $87,797,553, of which $83,000,000 had been taken out of the Porcupine and Kirkland Lake areas (chiefly) since 1912. The preliminary official figures for 1921 were $14,624,085—the greatest gold production on record in Ontario. During the year the situation for mining companies improved greatly. Labour was cheaper, supplies were cheaper, and gold commanded a premium; owing to Ontario's production, Canada was in 1921 the only country in the world to show an increased output of gold. Taking the Mineral industry, as a whole, the production of 1921 was $48,128,387, in comparison with $68,456,781 in 1920, $58,883,916 in 1919, and $41,976,797 in 1911. The total metallic product showed a marked reduction with gold the only advancing feature of importance and a general total of $28,154,500 compared with $48,282,000 in 1920. The following table indicates the situation:

	Quantity		Value	
Product: Metallic	**1920**	**1921**	**1920**	**1921**
Gold....oz.	565,283	709,509	$11,686,043	$14,624,085
Silver....oz.	11,065,415	8,412,059	10,873,496	5,497,160
Platinum metals....oz.	19.056	915	1,996,535	51,060
Copper....lbs.	6,825,772	3,070,719	1,041,994	356,708
Nickel, Metallic and Oxide....lbs.	15,906,263	6,832,166	5,003,631	2,110,750
Cobalt, metallic and oxide....lbs.	736,932	188,272	1,603,736	452,646
Other Nickel and Cobalt Compounds....lbs.	161,442	108,814	16,991	114,069
Lead, pig....lbs.	2,232,253	3,570,222	179,714	190,843
Copper in matte exported (b)....tons	11,715	3,686	2,928,750	737,142
Nickel in matte exported (b)....tons	21,371	4,850	10,685,500	1,939,851
Iron-ore and briquettes (c)....tons	68,616	100	60,958	459
Iron, pig (d)....tons	67,164	82,838	2,204,205	2,079,729
Total Metallic....			$48,281,553	$28,154,502
Non-Metallic:				
Arsenic, crude and white....lbs.	3,781,389	2,982,525	432,434	233,763
Clay products....			4,735,154	3,885,199
Cement, Portland....bbls.	2,035,594	2,723,072	4,377,814	6,425,266
Feldspar....	37,335	15,506	268,295	114,059
Gypsum, crushed, ground and calcined....tons	74,707	84,765	404,162	433,053
Lime....bush.	4,982,912	2,610,912	1,799,763	1,172,680
Natural Gas....1,000 cu. ft.	10,545,000	8,590,000	3,163,500	2,953,000
Petroleum, crude....bbls.	181,750	172,859	724,145	466,716
Salt....bbls.	206,612	149,599	1,544,867	1,509,287
Sand And Gravel....cu. yds.	2,162,241	1,412,956	1,390,704	668,098
Sand-Lime brick....1,000	27,703		407,766	456,700
Stone, building, trap, granite, etc....			3,944,972	1,812,863
Sundries....			1,601,519	423,501
Total Non-Metallic....			24,795,095	20,554,185
Add Metallic....			48,281,553	28,154,502
Grand Total....			$73,076,648	$48,708,687

There were some notable incidents of expansion in the gold fields during 1921. The Wright-Hargreave mines at Kirkland Lake started a 175-ton mill in May and paid an initial dividend of 5 per cent. at the close of the year; the Ontario-Kirkland, another new producer, operated a 110-ton mill in December; the settlement was announced of legal and financial complications at Larder Lake by the organization of the Canadian Associated Gold Fields Mining Co., a $30,000,000 concern, to control the properties of the Associated Gold Fields and other Companies; the production of gold in the Porcupine region totalled $13,095,630 and in that of Kirkland Lake $1,524,851; in the Porcupine the gold product of the Dome in 1921 was $2,280,237, of the Hollinger $8,999,796, of the McIntyre $1,815,597; the Allied

Porcupine Gold Mines, Ltd., was incorporated with a $5,000,000 capitalization and acquired a group of properties lying in the eastern part of Whitney township; exploration work in the Night-Hawk Lake district was undertaken by the Collinan-McKay Exploration Co., and A. Mitchelson and Co., Ltd., another British concern, re-organized the Davidson Consolidated Gold Mines, Ltd., with new capital and large expected development.

The Dome Mine in the year of Mch. 31, 1921, yielded bullion worth $1,946,403 with an average yield per ton, milled, of $7,111, with operating and maintenance expenditures of $1,239,508, an excess of current assets over current liabilities of $1,539,161 and an increase in total assets to $7,229,977. The McIntyre-Porcupine Mines, Ltd., had a record for the year of June 30 which showed net profits transferred to Surplus of $815,530, total net earnings of $1,088,513, an estimated ore reserve of 624,422 tons worth $6,392,394, operating costs of $935,440, total assets of $6,558,340. In the Kirkland Lake district surface work on the Lebel-Lode uncovered a shattered zone 300 feet wide, in which numerous quartz veins were found and, in the Larder Lake district, the Crown Reserve uncovered a 40-foot width of ore assaying $4.00 per ton with diamond drilling resorted to in an effort to find other and richer lenses.

It was stated at the close of this year that the Hollinger Consolidated Mines had taken $40,000,000 of gold from an area lying within 800 feet of surface and that another 40 millions was in sight; that in addition to the great possibilities of the McIntyre-Porcupine which *Saturday Night* (Dec. 3) put at $250,000,000, the Porcupine V. N. T., the Schumacher, the Pleaurum, the Newbray and the Rochester—in the Hollinger-McIntyre section—showed rich veins of ore, making, with the Dome and its subsidiary properties, the greatest gold field in the world. The 1921 Report of the Hollinger Consolidated Gold Mines, Ltd., showed an income from gold and silver produced of $10,031,050, compared with $6,939,628 in 1920, which was the best previous total.

Adding interest on investments and income from other sources of $283,464 the total earnings were $10,314,515. The general charges totalled $459,827, mining charges $3,194,844, and milling charges $1,568,183—making total operating charges of $5,222,855; the operating profit was, therefore, $5,091,659 compared with $4,018,282 in 1920. The Report stated employment of 2,000 men, satisfactory conditions as to labour, a hold-up in production and profits owing to an insufficient supply of Electric energy, ore reserves of $36,664,154 with probable ore in sight which made the total $41,719,670, capital liabilities of $25,000,000. In his annual address at Montreal on Mch. 8, Noah Timmins, President, stated that in the 9½ years of operation, the Company had received from gold and other sources an income of $50,000,000 and paid $16,558,000 in dividends. Particulars were as follows:

Hollinger Mines	Gross Income	Profits	Dividends
1912	$ 924,571	$ 621,001	$ 270,000
1913	2,493,971	1,503,822	1,170,000
1914	2,764,130	1,611,058	1,170,000
1915	4,285,786	2,477,044	1,720,000
1916	5,285,862	2,856,409	3,126,000
1917	4,271,260	1,820,414	738,000
1918	5,908,327	2,588,563	1,230,000
1919	7,063,099	3,840,482	1,722,000
1920	7,162,611	4,018,282	2,214,000
1921	10,314,515	5,091,659	3,198,000
Total	$50,474,132	$26,428,734	$16,558,000

Throughout the gold fields the demand for Electric power at this time was very great; all the annual meeting addresses dwelt upon the urgency of Hydro-electric development in the North. Meanwhile, Cobalt had fallen somewhat from its high place with a silver production, in 1921, of $5,413,520 as against $10,654,471 in 1920; the total production from 1904 to the end of 1921 had been $198,099,336; the drop in price of silver from an average of 100·90 cents in 1920 to 65·65 in 1921 had something to do with the current decrease, as production only fell from 10,846,321 ounces to 8,279,320 ounces. The dividends of the year—payable on Coniagas, Kerr Lake and Nipissing—were $1,985,000 and the total on all the silver mines at Cobalt from the beginning to the end of 1921 was $84,388,185 on a capital investment of $49,006,308. Incidents of the year included the statement of the Nipissing Mines, Ltd., which showed net profits of $969,199 and a net surplus of $3,851,242 with dividends of $935,000 with, also, the discovery of a rich vein and the blocking out of 500,000 ounces in a space of 70 feet.

The United Farmers of Ontario. This Ontario Farmers organization found many complications along its pathway during the year. Its close affiliation with the political interests of the Province brought much publicity and inevitable criticism; its organ, *The Farmers' Sun*, handled the Manufacturers' Association and Industrial organizations, generally, without gloves; it was conspicuous in the General Elections as an opponent of the Dominion Government; the aggressive policy of its Secretary, J. J. Morrison, at times brought it into conflict with the Drury Government and the U. F. O. members in the Legislature. By a vigorous propaganda, which was both verbal and printed, the U. F. O. sought to increase the scope and influence of the Agrarian movement in the Province and to introduce its principles into the towns and cities as well as country districts. Mr. Morrison toured Ontario incessantly throughout the year, speaking at Canadian Clubs, public and church meetings, Y. M. C. A. gatherings, summer picnics, and gatherings of the Farmers and Farm Women and young people. He, everywhere, emphasized the necessity of organized political action on the part of rural constituencies and claimed that only in the recognition of their own class-consciousness could the U. F. O. realize their true and effective purpose.

It may be mentioned that just before the Elections, in October, a change was announced in the form of the Recall—so far as the U.F.O. was concerned—and that instead of the resignation being dealt with by the Executive Committee of the Association in each riding, it would be held by the Executive subject to a special meeting of the Convention which originally nominated the candidate. When causes of dissatisfaction arose they would be placed before this Convention for decision; if against the sitting member he would be expected to vacate his seat. The

U.F.O. Association met, in its 8th annual Convention at Massey Hall, Toronto, on Dec. 14-15 with President R. W. E. Burnaby in the chair. In his address Mr. Burnaby declared the U.F.O. to be "strong in members, strong financially, strong in *prestige* and influence". This was because: "We stand by our principles, looking neither to the right nor the left when a principle is at stake." The 65 members returned to Parliament by the Farmers as a whole was mentioned with pride and the fact stated that Educational, Commercial and Political questions were interwoven into the life of the people and of this organization. Referring to the Co-operative Company and the attacks upon its financial policy, he said: "As I view the situation, these two organizations are so interwoven that the success of one depends upon the success of the other. You cannot separate them. Help the Company in every way possible. We need this co-operation as never before. It is vital to our movement." In the ensuing discussion some exception was taken to this latter statement.

Mr. Morrison followed, with the Secretary's Report, and gave considerable space to the condition of the United Co-operative Co.; he stated that the number of new Clubs organized this year was 122, and that the total number of Clubs was 1,318 and the membership, approximately, 40,000. As the estimated membership at the first of the year was 60,000 there would seem to have been a decrease in numbers. There were a great many Resolutions presented, discussed and passed, or shelved; one of the most important declared that the New National Policy and the National Progressive Party must be maintained and that: "This Convention firmly believes it is in the interest of Canada that the National Progressive Party should remain intact and devote itself earnestly, in the next Parliament, to effecting by legislation the recommendations upon which it was elected."

J. B. Levert, a rising member of the U. F. O., made a strenuous speech in this connection and as to influences, seen and unseen, which, he claimed, were being used to discredit the movement. He declared that: "There are a quarter of a million voters in Canada who have lost confidence in the ballot; they believe in direct action—revolution. There will be riots and bloodshed in this country if something is not done to restore confidence in the ballot." The inference was that the Farmer-Labour allies must be returned to power. Attempts made to raise the Protection issue, as to Food stuffs, and the Prohibition question, along lines of Government control, were met by such stern speaking that even the movers failed to vote for their motions.

A proposal that none but citizens of Canada be elected officers of the U. F. O. organization was tabled; a Resolution was unanimously passed declaring that "in view of the large National Debt and need of economy in public affairs, be it resolved that military training in the Public Schools be discontinued and that the Dominion Parliament and Ontario Legislature discontinue financial aid thereto, and, further, that all Militarism be eliminated as far as possible." Miss Agnes MacPhail, M.P., who was given a great reception, suggested that the Secretary be elected by the Convention instead of being appointed by the Directors. It would, she declared, be easier to railroad something through a body of 14, than through a Convention such as this. After a long debate the power of appointment was left to the Directors. M. H. Staples, the Educational Secretary, dealt with his work in arranging debates and programmes for U. F. O. Clubs and the Short Course for farmers at the University. R. W. E. Burnaby was re-elected President and W. A. Amos Vice-President by acclamation. The following Resolutions, in addition to those already dealt with, were passed:

1. Endorsing the action of President Harding in calling the Washington Dis-Armament Conference and looking forward to a time of International peace.

2. Demanding that the Bell Telephone rates be reduced to those prevailing before the last increase was granted and declaring that the U. F. O. would render all help possible in having the new Parliament eliminate the "penalty clause" from the Railway Act, which governed the Telephone Company and checked the development of long-distance connection with independent companies.

3. Urging on local Clubs the advisability of forming athletic clubs and the organization of debating and reading associations for the discussion and study of National and social questions of current interest which would stimulate the support of the younger members.

4. Suggesting that members of the Legislature and House of Commons be asked to send to local U. F. O. Clubs a copy of each Bill introduced in those bodies as soon as printed, and, also, a monthly report of how their votes were recorded on the various Bills and Resolutions before the House.

5. Calling on the Ontario Legislature to amend the Game Laws of the Province so as to change the opening of the season from Nov. 5 to Nov. 20, and from 15th Nov. to Dec. 1st; to prohibit hunting with dogs.

6. Changing the date of the annual U. F. O. Convention to prevent its confliction with the County Council meetings on Dec. 15 of each year.

7. Pledging the U. F. O. against any attempt to divide the people of Canada along race and creed lines and to use every effort to unite all on the broad basis of Canadian citizenship.

8. Extending congratulations to Hon. T. A. Crerar on the successful outcome of his efforts in the Dominion election campaign and also pledging unwavering support to the U. F. O. in the avoidance of entangling alliances with either of the old Parties, and in following in Parliament the course mapped out during his appeal to the people of Canada.

9. Urging increased efforts to extend the circulation of the *Farmers' Sun.*

10. Requesting the Government of Ontario to secure the enactment of legislation providing for a surtax on all unoccupied wild lands held by private owners.

11. Declaring that the Indians of Canada should benefit through the Good Roads policy of the Province and that Reserves should receive their just part of the improved highway system; also that the system of rural mail delivery should be equally distributed; and that the equal use of the franchise, with all other citizens of Canada, be given to the Indians.

12. Claiming that charitable grants made by the Provincial Government to relieve City unemployment should be equally available for needy citizens in all parts of the Province, and that in no case should aid be given where opportunity of employment had been refused.

13. Expressing dissatisfaction with the new Rural Credits Bill, on the part of the Northern Ontario delegates as being too limited, and that it be amended to provide for the loaning of money for paying off existing farm encumbrances.

14. Asking the new Government at Ottawa to remove the ban from all publications save such as were an offence against morals.

15. Urging the repeal of the Vacant Land Cultivation Act of 1920 as operating in direct conflict with agricultural interests.

Great attention was paid in the Association to the young men and the reports of Young People's U. F. O. organizations; about 125 young people were present and they held a separate meeting and organized as

the United Farmers' Young People of Ontario with Mrs. Frank Webster, Oakwood, as President, W. R. Shields, as Vice-President and Miss L. D. Duff of Toronto as Secretary.

The United Farmers' Co-Operative Company. This organization had some stormy experiences during the year—apparently inevitable where politics and business get mixed up in one big Association. Its finances were seriously and publicly attacked, chiefly by Dr. A. E. Farewell of Oshawa, who was well-known as a Liberal and, also, as a shareholder in the Company. Throughout the year there had been rumours as to financial trouble and criticisms by Dr. Farewell and others. On Nov. 9th A. A. Powers, President, issued a statement that stock-taking was under way; that the Company had suffered a loss in its storekeeping—mainly a matter of the re-valuation of stock, due to the decline in a falling market; that the Company had done a business of about $20,000,000 in the past year and that the Directors were confident of its future.

On Nov. 9 Dr. Farewell and about a dozen shareholders met in Toronto with Mr. Morrison, Secretary of the Company, present, and discussed the situation. The chief complaints were that the Secretary took part in politics as well as business, that the Directors were not competent to handle the concern, and that much money was being lost or had been lost in the year. On Nov. 23rd Dr. Farewell fyled a petition at Osgoode Hall, asking for a declaration that the Company was insolvent, that it be wound up and a temporary liquidator be appointed. The statement sworn to by the petitioner dealt in the first four clauses with the identity of the Company and its capitalization, the fifth declared that "the facts and circumstances relating to the subscription for and payment of stock" should be investigated. Dr. Farewell added a number of other statements in succeeding clauses, and declared that, as a shareholder to the extent of $500 in the Company, he came to Toronto in November, 1921, and interviewed the President, A. A. Powers, with reference to certain information he had received.

Mr. Powers, he alleged, admitted that losses in the operations of the Company during the current year might amount to $300,000, but gave no definite information as to the manner in which these losses had occurred. An examination of the list of Shareholders, then made, showed the capital stock held by the following Directors: A. A. Powers, President, one share; Col. J. Z. Fraser, Vice-President, one share; R. W. E. Burnaby, one share, on which 50 per cent. had been paid; Elmer Lick, Director, five shares; Robert H. Ashton, Director, ten shares, of which 50 per cent. was paid up; J. J. Morrison, Secretary-Treasurer, eight shares. Dr. Farewell then quoted Mr. Lick, of Oshawa, to the effect that the loss in Stores operated by the Company was $200,000, and that the loss in the Egg and Poultry department was between $30,000 and $40,000. Paragraph ten amplified the statement regarding losses, which Dr. Farewell claimed was made to him by the President. He was informed that General Wholesalers, Ltd., of which the U. F. O. Co-operative held all the issued stock, had furnished supplies to the Co-operative stores, and that the loss in this branch of the Company's business exceeded $100,000. It was further alleged that the Secretary-Treasurer devoted most of his time to politics.

Following this action R. H. Ashton, a Director of the Company, applied for an injunction against the ensuing annual meeting of the Company on the ground that insufficient notice had been given and this Mr. Justice W. E. Middleton granted on Dec. 9. The point was a technical one and it was claimed to be too late to notify the 20,000 shareholders not to attend such a meeting. At the U. F. O. Convention (Dec. 14) Mr. Morrison vigorously attacked the Toronto *Telegram* and the "big interests" for defaming the Company; declared that the effort to prematurely stage its affairs on the eve of the Election, and just before the

annual meeting, was apparent and needed no explanation; stated that the latest attempt at injury was by a Director who had lost more money for the Company than all other men combined with, also, a personal indebtedness to the Company which remained unpaid. At the Convention J. B. Levert, R. J. McMillan, S. J. McDonald and Elmer Lick all stated that Dr. Farewell had privately declared that his object in bringing up this matter at this time was to defeat R. W. E. Burnaby in North York.

The Shareholders met on Dec. 13, though not as a legal annual meeting; Gordon Waldron, K.C., Solicitor of the Company, was Chairman and H. B. Clemes, General Manager, submitted an elaborate statement—the first since his appointment; after reviewing certain losses he stated that all the Departments had turned the corner and, in November, were showing a profit. As to the current situation, he said: "When I took charge the Company's policy appeared to be that it was good business to stock large quantities of every line of goods and, with the downward trend of the market, this could only bring heavy losses. The loss is a heavy one and a large portion of it should have been taken last year but, unfortunately, we found that book inventories instead of physical inventories, in a good many cases, were used and prices were not revised in accordance with market conditions. Just here I might mention that the amount of our stocks on hand a year ago was over one million dollars, consisting chiefly of general merchandise and farm produce and, with the general depreciation of from 30 to 60 per cent. it is not to be wondered at that we suffered losses. The Stores, undoubtedly, were opened without much thought. All kinds of merchandise was purchased and this mixture of goods taken over at 100 cents on the dollar in the face of the declining market. In my judgment we were ill-advised when we went into the general store business."

Mr. Clemes quoted the Auditors as suggesting that the Shareholders would be wise in "putting their house in order at once by reducing the par value of the capital stock from $25 to $15 after first securing complete collection of the present balances due on outstanding subscription." The Auditors (Rutherford, Williamson & Co.) had also found on investigation that in preparing the past year's balance sheet, both over-valued and over-stated inventories had been accepted as correct with a total loss on adjustment of $123,152. As to general conditions, they reported that the capital was impaired to the extent of $338,597 which reduced the par value of shares from $25 to a book value of $16.87—based on the subscribed capital stock and the assumption that all unpaid subscriptions could be collected. The total turnover of the year's business was $8,612,-743 of which the retail stores accounted for $2,019,511 and the Head Office departments for $3,249,959.

At this meeting (Dec. 14) Mr. Powers submitted a statement, as President, in which he reported the total value of business during 1921 as over $20,000,000 and spoke of the difficulties facing the Board and himself: (1) The machinery for making changes, such as the closing of branch stores which were unprofitable, etc., must of necessity move slowly, since objection was nearly always raised, and "we cannot afford to lose the good-will of our friends through the country"; (2) as to the Egg and Poultry department where heavy losses occurred, trade in these commodities was particularly hazardous, owing to the perishable nature of the products, and required very careful attention; (3) reference must be made to some appointments as heads of Departments "who were qualified neither by preparation nor inclination to perform the work, and as to which it would seem that personal friendship induced the appointments" and that from this source not a few of the mistakes, with their resultant losses, were due. Mr. Powers retired from the Presidency and it was decided, when the formal annual meeting was held to exclude R. H. Ashton from the Board and to select Charles Merkley of Dundas and George Bothwell of Owen Sound for the two vacancies.

The most important of the departments was the Live-stock Branch managed by F. S. Fulthorpe. He reported to the meeting that "your Live Stock department started on a capital of $2,000, has done a business of over 26 millions and has returned a surplus of over $57,000 in a period of a little over 2½ years." The recently-organized joint shipping associations had been wonderfully successful; incidently, he claimed that Co-operative action increased prices to the co-operators. This was especially the case in hogs: "By shipping co-operatively, the farmers automatically created a large volume of business under one selling agency. This agency had the opportunity, and seized it, of creating competition, and this raised the price."

The United Farm Women of Ontario. This important division of the U. F. O. opened its 3rd annual Convention in Toronto on Dec. 13-14. Though only in its first years of organization, much satisfaction was expressed by the Delegates at its success and growth during that period. Discussions turned chiefly on rural betterment through co-operation upon the following lines: (1) Co-ordination of the Young People's branch with the senior organization; (2) Club co-operative buying and selling; (3) Community utilities and Home demonstration work. Mrs. J. A. Wallace of Simcoe, President, summed up the chief problems of the farm-woman as: (1) The shortening of the woman's working day; (2) the bringing of higher standards of comfort and beauty to the farm; (3) the safe-guarding of health in the home; (4) the introduction of money-yielding home industries. One of the points made by Mrs. Wallace was that "there are too many people in the cities making frills, and too few in the country producing bread and butter."

In the Secretary's report, Mrs. H. L. Laws gave the total membership as 6,000 and the number of Clubs as 200—an increase of 86 over the previous year; in addition to this, many women had become members of the U. F. O. Clubs throughout the Province. Miss Agnes MacPhail, M.P., led a discussion on the Public School system and declared that Denmark was the only country in the world which had solved its rural educational problem and urged study of the Danish system: Mrs. Laws declared that the Canadian system was based on the needs of the town and city rather than of the country and claimed that too little emphasis was laid on the teaching of citizenship in the schools. Mrs. Wallace retired because of her husband's election as M. P. in Norfolk and officers for the year 1921-22 were elected as follows: Mrs. J. S. Amos, of Woodstock, President; Mrs. H. L. Goltz of Burdsville, Vice-President; and Mrs. H. L. Laws, of Cayuga, Secretary. The chief Resolutions carried urged:

1. That practical women outside of the Executive be appointed to co-operate and work—through the Women's Section of the Canadian Council of Agriculture—on the Inter-Provincial Committees of Social Service, Public Health, Immigration, etc.

2. That the U. F. W. O. petition Parliament to send Provincial nurses to the most needy and sparsely-settled districts—Northern Ontario, for instance.

3. That, since rural women now have the Federal and Provincial franchise, the Government be requested to amend the Municipal Act so as to give farmers' wives and daughters the municipal franchise on the same terms as farmers' sons.

4. That the Midway and gaming devices at the Fall Fairs have a demoralizing effect upon young people, and that the Farm Women of Ontario urge immediate steps to remedy the evil.

5. That, as home-making is a task of national importance, the Federal Government be asked to place at the service of the home-makers of the country a system of Home Demonstration and, with the co-operation of the Provincial Government, parallel the work of the Agricultural representatives in the rural parts.

6. That there should be closer co-operation with the Women's Institutes and that representatives be inter-changed at Conventions.

7. That protest be recorded against any further increase in Bell Telephone rates and that rates should be reduced to those prevailing prior to the last increase.

Education in Ontario; Government Policy, Separate Schools and the Universities.

The Hon. R. H. Grant, Minister of Education, in his Report for the year 1921, was reasonably satisfied with existing conditions and with the progress underway: "Notwithstanding the fact that the economic and social forces of the time are not wholly favourable, the progress made by the elementary and secondary schools of Ontario has been substantial and continuous. Public interest has shown no signs of flagging. The readiness of both rural and urban communities to enter upon necessary expenditures has been remarkable. The attendance of pupils has improved and is now better than in previous years. The salaries of teachers have risen. The professional training schools are well attended and the supply of teachers is not inadequate." Reference was made to the Imperial Conference of Teachers* and special details given of the advances in teachers' salaries during 1919 and 1920. The increase for male teachers in Rural schools was $252 and for female teachers $205; the increase for male teachers in Urban schools was $184 and for female teachers $155. Those with higher certificates commanded the better salaries and the number of men in elementary schools continued to show an increase.

As to Consolidated or united schools, the Minister stated that a Director of Rural School Organization (Dr. W. J. Karr) had been appointed to make a thorough examination of the situation in its various aspects; to confer with the rural authorities in all parts of the Province; to make a special study of individual and exceptional cases, and to take charge of the promotion of such schools; to investigate conditions wherever advanced courses were not provided by neighbouring High or Continuation Schools. Vocational instruction was dealt with and a special Report by Dr. F. W. Merchant, Director of Industrial and Technical Education, was quoted as follows: "The schools are finding for themselves an established place in the Educational system of the Province. On the industrial side they are providing for the young people who are to enter industry the essentials of a good academic education, and at the same time furnishing a special training in the subjects and operations which are fundamental to the trades and industries in which they are to be employed." The Federal grant along this line was $344,956 in 1921 and was being used in accordance with the Agreement entered into. The Adolescent School Act was referred to and the Separate School question, especially, was

*Note.—See Pages 225-27 of this volume.

dealt with at length. The Statistics for the year 1920 were given and the following table is a compilation therefrom:

Educational Statistics of Ontario, 1920.

School population between the ages of 5 to 21 years	667,379	Total amount for Continuation School Purposes	$473,085
High Schools (including Collegiate Institutes)	168	Amount paid for High School teacher's Sarlaries	$ 2,269,387
Continuation Schools	144	Total amount for High School and Collegiate Institute purposes	3,588,933
Puhlic Schools in Operation	6,207	Amount paid for Industrial, Technical and Art School Teachers' Salaries	455,902
Roman Catholic Separate Schools	594	Total amount for Industrial, Technical and Art School purposes	1,347,905
Total of above Schools in operation	7,113	Grand total paid for Educational purposes as above	30,626,435
Pupils attending High Schools	39,539	Male teachers in Public and Separate Schools	1,506
Pupils at Continuation Schools	5,823	Female teachers in Public and Separate Schools	12,363
Pupils attending Day Industrial, Technical and Art Schools	4,526	Total Public and Separate School Teachers	13,869
Pupils attending Night Industrial, Technical and Art Schools	27,297	Continuation School Teachers	255
Pupils attending Public Schools	489,660	High School and Collegiate Institute teachers	1,207
Pupils attending Roman Catholic Separate Schools	76,881	Day Industrial, Technical and Art School Teachers	191
Grand Total of students and pupils attending all ahove Schools	643,726	Number of all Teachers, as specified above	15,522
Amount paid for the salaries of Puhlic and Separate School Teachers	$13,070,038		
Total amount paid for Public and Separate School Purposes	25,216,512		
Amount paid for Continuation School Teachers	317,602		

Dr. John Waugh, Chief Inspector of Schools, stated that the number of Ontario Public School teachers had grown from 12,-094 in 1916 to 13,582 in 1921, and that of these Grade No. 1 had increased 215 in number and Grade II 1,618, while Grade III had decreased 245 and the Lower Grade stood even. Dr. Merchant reported an increasing contribution by municipalities toward Technical Education—the total having grown from $111,117 in 1913-14 to $659,072 in 1918-19 and doubled in 1919-20 to $1,347,-905; similarly the grants by the Provincial Government had grown from $5,380 in 1911-12 to $565,287 in 1920-21. Technical courses were under operation in Steam Engineering, Electricity, Mining, and Merchant Marine service; Summer School courses for Vocational Teachers were held in Toronto during 1921 and Evening schools had also been held in Toronto, Hamilton and London. The Vocational Education Act of the 1921 Legislature, which repealed the Industrial Education Act, provided for the establishment and development of Vocational schools giving instruction in industrial, home-making, art, technical, commercial and agricultural subjects. The schools were to offer full-time day courses, part-time day courses, and evening school courses of instruction. All courses were designed to give, as a basis of citizenship, instruction in the essentials of a general education and at the same time a specialized training in subjects, processes, and operations fundamental to the fields of work in which young people sought employment.

The Act provided also that any municipality could establish one or more schools or departments for instruction, in the subjects mentioned, either as Separate Schools or as departments in a Secondary School and to be under the control and manage-

ment of appropriate Advisory Committees. Vocational schools or departments were entitled to annual grants to be paid out of any moneys appropriated by the Legislature for industrial, commercial, technical or agricultural education. Dr. J. C. Miller resigned his post as Assistant Director of Technical Education in September and was succeeded by F. P. Gavin. Manual Training and Household Science continued to be popular and the Memorial School, Hamilton, was a new illustration of effective work in this connection. Good progress, also, was made in the Rural schools where, in 1919-20, these subjects were taught in 190 schools and in 1920-21 at 308 schools. During the September, 1920, and June, 1921, season 1,483 ungraded schools had classes in Agriculture, with 204 graded schools and 117 ungraded and graded Separate Schools; in the 1921 season 28 High Schools qualified for grants in this connection and the subject, also, was taught in the seven Normal Schools of the Province. The attendance at these latter Schools at the close of 1921 totalled 1,446, with 77 at the Model Schools and 424 at the Summer Model Schools. The Ontario School for the Blind had a 1921 registration of 146 and that for the Deaf an average attendance of 245.

W. O. Carson, Inspector of Public Libraries, reported to the Minister what he termed "startling progress" in this connection: "The addition of 14 new Libraries made the total number 450 and the use of Travelling Libraries was 41 per cent. greater than in 1920; the official records for 1920 showed an increase of 800,000 circulation in books for home-reading over the preceeding year, with an estimated total patronage for 1921 of 8,000,000; the grants earned by Libraries in 1921 were 22 per cent. greater than in 1919, and this was due almost entirely to the small libraries; there was a large increase in book purchasing by Libraries—$140,000 in 1920 as against $68,000 two years before." The results of the new Public Libraries Act were said to be extremely favourable. The Free Public Libraries of the Province numbered 186 in 1920 with 1,537,517 volumes, a circulation of 6,316,340, an expenditure of $738,010 and a Legislative grant, paid in 1921, of $28,816; the Association Public Libraries numbered 264, with 473,950 volumes, a circulation of 635,307, an expenditure of $52,598 and a Legislative grant, paid in 1921, of $11,181. It may be added that small grants were made to 40 Historical institutions, or organizations, totalling $11,450; that Public School Libraries in the Province numbered 5,602 in 1920-21, with a total expended by schools in this respect of $18,-125 and a Government grant of $8,310.

Policy of the Minister of Education. Mr. Grant, in his second year of office, developed a steady policy along specific lines. He had to deal with two important Reports during 1921 —one an Interim statement of the Committee on High School Education appointed in the preceding year, and of which Dr. F. W. Merchant was Chairman, with 26 members who repre-

sented the Universities, the High Schools, Continuation Schools, the Inspectorates and the Department of Education. It was appointed to review courses of study and the examination System and to report on matters affecting organization and efficiency. The Report suggested many things: (1) Better provision for High School pupils who wanted general and not specific education—with a Graduation Diploma recognizing this need; (2) more freedom to Local authorities in both subjects of study and school organization; (3) relief from a congested time table and excessive number of subjects taken concurrently; (4) encouragement of Municipalities in experimenting with schools which would combine academic and cultural subjects with pre-vocational training. Courses of study were drafted, with emphasis on the optional subjects, and advice was given as to a minimum and maximum number of subjects to take in any one year.

On July 6 the Minister specified certain changes in the High School courses of study as a result of this Report. The policy of the Department was stated to be provision of a five-year course of training that would be an end in itself instead of a step to either University or Normal School work. Under this system Matriculation was provided for, but, by the adoption of an optional system, applied to all but a few subjects, the student could take the particular instruction he desired. This involved changes in the examination system, and thereafter the student would be permitted to write on an examination in one or more subjects at the year-end when he completed that subject. On obtaining 50 per cent. of the marks assigned to that paper, the student would be given a certificate of standing. The courses of study were divided into three sections—a Lower School course of two years, a Middle School Course of two years, and an Upper School Course of a year.

The University Report, submitted in February, was complete and elaborate. Composed of Ven. Dr. H. J. Cody (Chairman), Sir J. S. Willison, J. Alex. Wallace, T. A. Russell, A. P. Deroche and C. R. Somerville, the Committee reported upon the financial obligations of the Province toward the University of Toronto, Queen's of Kingston and the Western of London. It first described the value of Education as shown in history and in experience as affecting the individual or the citizen; then dealt with primary, secondary and higher Education as parts of one great educational effort and the University as the servant of the country with the mission of using culture, knowledge and discipline for the service of the people. The broad line of policy recommended was (a) adequate support for the Provincial University for which the State was primarily and solely responsible; (b) such reasonable support to the other two Universities as would be just to them and to the districts of the Province which they specially served, while extending the benefits of Higher Education to a wider circle of students.

The Provincial University was described as standing in a unique position: "It was established by public funds; it has been maintained by public funds. It is controlled by a Board appointed by the Government. It has for generations been recognized by custom and by legal enactment as the special property of the State. The State has legal and moral obligations to it." Its requirements were fully pointed out with those of the other two institutions and the following summary of the chief recommendations may be given:

1. That for the maintenance of the Provincial University and of University College there be restored the basis of support in the Act of 1906, viz., a yearly sum equal to 50 per cent. of the average of the Succession Duties for the three preceding years—$1,584,000.
2. That annual maintenance grants be paid to Queen's and Western Universities, and that these grants be readjusted every five years by a Court of Reference to be appointed by the Lieut.-Governor-in-Council—the grant to Queen's for the next two years being $275,000 a year and $300,000 a year for the ensuing three years; the grant to the Western being $200,000 a year for the first two years and $250,000 for the next three years.
3. That grants on Capital Account for buildings urgently needed be given to the Provincial University ($1,500,000); to Queen's ($40,000); to Western ($800,000).
4. That if increased revenues for education be required in future, the Government should consider the advisability of levying a direct tax of one mill on the dollar on the municipally-assessed value of the rateable property of the Province (excluding incomes), ear-marked for general educational purposes.
5. That in any University aided by State funds no new Faculty be established and no new building (paid for by Public funds) be erected without the consent of the Lieut.-Governor-in-Council.
6. That a University Day be provided for in the Legislature, on which the Heads of the various Universities shall appear to report on their work.
7. That a Department of Graduate Studies and Research be organized in the Provincial University as soon as practicable.

In the Legislature, on Apr. 14, Mr. Grant stated that the Government could not act upon the Report as a whole but would consider it as a basis of action, and give to its proposals exhaustive consideration. Meanwhile, the grant which the Government proposed to make to the University of Toronto would be practically $900,000 greater than last year; Western University would receive $200,000, as compared with $84,000 last year, Queen's University would be given $325,000 as compared with $165,000 last year. To a Deputation which, on this date, waited upon Mr. Drury, the Premier was frank in his expression of doubt as to utilizing the Succession Duties in this way: "The Government intends to go just as far as it can to help the University, but has decided, in view of the financial situation, upon a fixed grant." In the House on Apr. 21st H. H. Dewart, Liberal leader, agreed with the Premier as to the Succession Duties not being suitable for this purpose and urged more direct Government control over the University; Howard Ferguson, Conservative leader, in urging generous treatment of the in-

stitution, opposed this latter suggestion and declared that independent control by a Board of Governors had been planned to remove the University entirely from political interference.

On Nov. 17 the Hon. Mr. Grant officiated at the formal opening of the new Medical College of Western University, London; in his speech he declared that if, by voting generous aid to this University, the Legislature had approved of a certain measure of decentralization in University education, it was done in the belief and confidence that local financial support would be freely accorded. Meanwhile, a Resolution passed by the Toronto Board of Education (Oct. 20) urging "that the Urban School Trustees' Association ask the Department of Education to authorize only such text-books as are strongly British in character, and of British authorship and British publication," received the Minister's attention and, in a letter dealing with this matter, he declared that in the selection of school text-books preference was always given to books written and published by Canadians. At the same time: "It is important that teachers and pupils be supplied with the best available books in the different departments of study." As to the High School *Ancient History* which had been referred to it was written by the late Professor Botsford: "From all such histories in existence, both British and American, it was selected by a number of representative Ontario teachers as altogether the best of the kind available." In December it was announced that a new Public School History of England was completed, written for the Department by Prof. George M. Wrong, as well as a History of Canada by the same Author.

The Adolescent School Attendance Act created much discussion during the year. Passed by the Legislature two years before, it was proclaimed in September, 1921, as effective in Municipalities of 5,000 and over. Under its terms the age of compulsory education was raised from 14 to 16 years. Before this a child on attaining the age of 14, or even at an earlier age, if he had passed the High School Entrance, had the legal right to discontinue attending school and large numbers availed themselves of this privilege. With such a limited education, it was contended, these children were poorly equipped to succeed in life in an age where trained intelligence was so necessary.

The fundamental considerations given in connection with and for this measure were as follows: (1) Children at 14 left school without any preparation for wage-earning and without an opportunity to find out what work they were best fitted to do in life and too immature in body, in mind, in character, to obtain desirable employment; (2) the great and admitted shortage of trained and skilled men or women and the fact that under modern industrial conditions, where production methods were so increasingly important, the young worker of 14 or so found no opportunity for learning anything of the fundamental principles and theories of skilled employment; (3) the fact that the

Fisher Bill in England made compulsory the attendance of all youths between 14 and 18 years of age in part-time schools for 320 hours a year and that the need for such extended education had been felt keenly in England; (4) the additional fact of the Scotch Compulsory Act of 1918 fixing the limit of compulsory full-time attendance at 15 years while compulsory part-time Education laws running to 16, 17 and 18 years had been passed in more than 20 American States.

The law was described by critics as a most radical and almost revolutionary enactment. Dr. J. H. Putnam, Senior Inspector of Schools at Ottawa, in a Hamilton address on Jan. 12, objected to the Fee charged and thought it impossible to force adolescents to attend school part or whole time unless the fees were abolished. Another objection was the difficulty of poor parents, who depended for help upon their growing children, having to support them two years longer before reaching a working adolescence; one Labour man in the *Industrial Banner* (Mch. 11) asked the Educationalists to look at the thousands of married women working to help raise and feed a family and profoundly grateful when one of the children could start work; it was claimed that for the child or adult who was eager to study, there were splendid opportunities for learning in the night schools, business colleges and libraries and the child or adolescent who was not willing to avail himself of these aids would be no more successful under this new system; the difficulty of enforcement and lack of facilities in that respect was another argument.

At the opening of the School season in September, 1921, thousands of children, over 14, returned to school and the greater enrollment taxed the accommodation to the limit in some districts. It was explained, in answer to some of the objections raised, that not all children between 14 and 16 were obliged to continue their schooling; if, in the opinion of the School Attendance officer, the services of a boy of this age were required in or about the home of his parents or guardian, or was needed in some form of work for the maintenance of himself or some person dependent on him, he could be granted an employment certificate. It was stated that very few applications of this kind were received. The Act was being put into force gradually; the clause, for instance, as to part-time education up to 18 years of age, for those who left school before 16, would not be effective until September, 1923.

Revival of the Separate School Question. This old-time issue in a new form came up in 1921. There had been no change in legislation or serious alteration in Regulations affecting these schools for some years; the Drury Government had taken no special stand upon the subject until the question of School taxes and their allocation as between Separate and Public Schools came up at this time. The clause of the Separate School Act of 1863, which was passed by the United Legislature of Upper and Lower Canada and was again under special discussion, was as

follows: "Every Separate School Board shall be entitled to a share in the Fund annually granted by the Legislature of this Province for the support of Common Schools, and shall be entitled also to a share in all other public grants, investments, and allotments for Common School purposes, now made or hereafter to be made by the Province or the Municipal authorities." This was confirmed by Section 93 of the B. N. A. Act in 1867, which declared that "nothing in any such Law shall prejudicially affect any Right or Privilege with respect to Denominational Schools which any Class of Persons have by Law in the Province at the Union."

According to the Ontario Statutes (Section 6, Department of Education Act) the sums to be appropriated by the Legislature for elementary education were voted under three general heads: (1) votes to Urban public and separate schools; (2) votes to Rural public and separate schools in Counties; (3) votes to Rural public and separate schools in Districts. In his 1921 Report the Minister of Education gave the amounts so voted (and in the case of County rural schools added to by a Treasury Board order of $555,000) as being $197,000 to urban schools of which $35,460 went to the Separate Schools; $1,655,000 to County rural schools of which $140,509 went to the Separate Schools; $460,000 to District rural schools of which $39,054 went to Separate Schools. The Hon. Mr. Grant declared that the statutes and regulations governing the distribution of sums voted in support of elementary education among the schools of the Province were the same for Public and Separate Schools and the division was carried out as directed by the law and Regulations. He frankly admitted that the operation of the factors determining the distribution had always given rise to inequalities in the amounts awarded to different schools and that the disparity complained of between grants paid to certain rural separate schools and those given to neighbouring public schools was not a new condition; the inequalities, also, were growing as the result of increasing votes and grants.

Such was the general situation at the beginning of the year with an under-current of Roman Catholic dissatisfaction in Ottawa over the French language trouble, there, and increasing expressions of discontent as to the application of taxes and the consequent difficulty of keeping Separate Schools up to the mark in buildings, etc. On Feb. 22 a Deputation waited upon Mr. Premier Drury and the Minister of Education—composed of J. M. Ferguson, John O'Neill, M.L.A., W. T. J. Lee, D. A. Carey and others—and explained the Toronto difficulties in this connection. It was pointed out that. for the last few years, the deficit had been growing until this year it was estimated at $112,000; proper accommodation was lacking and the Separate Schools were said to be in a serious condition. They asked for a fair proportion of the taxes derived from public utilities and corporations and stated that 800 children, whose fathers were

Protestants, attended the Separate Schools and this cost about $50,000; in such cases, it was claimed, the man should have the right to say whether his taxes should or should not go to the Separate Schools. It was stated, also, that these schools got practically nothing from corporate taxation.

On Mch. 18 Archbishop McNeil was reported, in the Toronto *Star*, as having said that the National Railways were owned by the people of Canada and that "it would create a National disturbance" if Catholics did not get a fair share of the School taxes paid by these Railways. About this time several of the Catholic Hierarchy of the Province discussed this question of taxes with Mr. Grant. On May 31 a second deputation met the Government with Archbishop McNeil, Bishop Fallon of London, Bishop O'Brien of Peterborough, Father Foley, Editor of the *Catholic Record*, London, and John O'Neil, M.L.A. amongst those present. The Archbishop and Dr. Fallon presented the case for the Separate Schools with much force and earnestness and based their claim upon rights given under the B.N.A. Act. It was alleged that, since the passing of the legislation under which a person or corporation paying the tax was to specify where the portion for educational purposes should be allocated, business had passed very largely into the hands of big corporaations and, though Separate School supporters had a very large interest in industrial concerns, public utilities, etc., the taxes, in most cases, went to the Public Schools. It was claimed that if the Separate Schools received their full share of all taxes, the financial problem of the schools would be solved and the Church would be able to take care of its secondary education as well.

Following this, a determined agitation developed along the lines mentioned. On June 12, Roman Catholic organizations throughout Western Ontario carried identical Resolutions praying the Ontario Government to pass amending legislation which would enable Separate Schools to receive their share of the taxes of Catholics who were members of joint stock companies; meetings for this purpose were held, for instance, in all the 15 districts comprising the Diocese of London. At the Ottawa Convention of the Catholic Order of Foresters for Ontario (June 15) a Resolution was unanimously passed endorsing the action of the Hierarchy in petitioning the Government along these lines. On July 22 the Knights of Columbus at a London meeting passed a Resolution identical in terms with one which all similar bodies in Ontario were endorsing and with clauses (1) reviewing the B.N.A. Act and its protection of the rights of minorities; (2) declaring that amongst those rights were "the full development of the Common School System and the equitable division of the school taxes for minorities and the proportional distribution of all school grants"; (3) stating that the Catholic School system was deprived of legal machinery for its complete functioning; (4) claiming that the Separate Schools did not receive "a just and proper share of certain school taxes and school grants"; (5) asking the Government and Legisla-

ture "to enact such legal measures as will place the Roman Catholic Minority of this Province in the full enjoyment of its educational rights under the Constitution."

Archbishop McNeil of Toronto took the lead in this movement. In *The Globe* of Oct. 5 he quoted historical data to prove that Separate Schools were originally granted because the Protestants wanted to teach the "Protestant Bible" in the Public Schools; to a long Resolution of the Board of Education, Toronto, on Oct. 6, His Grace replied at length and took up its statements one by one; on Oct. 24 he addressed a crowded meeting of the local Canadian Club on the subject. In his address the Archbishop first pointed out that 80,000 pupils were attending the Ontario Separate Schools at a cost of 2½ million dollars a year; that these schools were part of the Educational system and machinery of the Province with the whole people responsible for their well-being; that their regulation, administration and control were in the hands of the Department of Education; that the Separate Schools were essentially public and not private schools with the Department prescribing the examinations of the teachers and that all, whether they were Sisters or Christian Brothers, or lay teachers, went through the ordinary Normal Schools and had the same certificates as Public School teachers; that the text-books used in the Separate Schools were the same as in other Public Schools except in the matter of Religion.

His Grace then pointed out that all over the Province Catholics were building or establishing Separate Schools at their own expense because the Province did not allow them sufficient under existing tax conditions; that at Weston, for instance, they had built a $25,000 4-roomed school without liability to the Board or the Province and that similar conditions prevailed in St. Catharines, in Collingwood, in Port Dalhousie, in Oshawa, in Thorold, in Niagara Falls and many other places; that in Hamilton, every year, the Catholic parishes collected between 14 and 15 thousand dollars to supplement the School taxes; that in Toronto the Church had placed $500,000 worth of property at the disposal of the Separate Schools without rent and had to carry the burden of interest and debt. He claimed that Separate Schools were here by the solemn pact of Confederation—by pledge, and legislation, and the accumulated right of nearly 60 years—and declared that one of the terms of that agreement (Art. 14 of the Act of 1863) was that the supporters of Separate Schools would be exempted from all taxes levied for the support of other schools and that Ontario was not carrying out the provisions of that agreement to-day.

The contention was that Catholics were paying taxes to Public Schools through such concerns as National Railways, the C. P. R., the Hydro Electric and many big corporations. He instanced the C. P. R. and the Hydro-Electric Commission as being most anxious to divide their taxes proportionally and as

having asked that this be done only to find it impossible because of the terms of the Ontario Assessment Act; he stated that the amendment to the Act creating this situation was passed 35 years ago and should certainly be adjusted under the new and changed business conditions of to-day. In a Pastoral to his people (Oct. 23) Archbishop Spratt of Kingston stated that "in the whole Province there may perhaps be half a dozen corporations whose Catholic members are paying taxes to Separate Schools on Company property". As to the rest: "In thousands of cases it is made impossible for Catholics to support the schools of their choice, for an odious practice in these cases confiscates Catholic taxes and hands them over to the Public School."

Speaking of Toronto conditions Archbishop McNeil stated at St. Michael's Cathedral, on Oct. 30, that although the Separate Schools of the City provided accommodation for more than 11 per cent. of the school population, the Separate School Board received only 6 or 7 per cent. of the school taxes paid in the City; if the Separate School Board were to receive its fair proportion it would have $200,000 additional. Catholics wanted their just share and no more and he instanced the Consumers' Gas and Bell Telephone as two corporations in which all were interested and whose taxes should be equitably distributed. The *Catholic Register* of Nov. 24 contained an elaborate Postoral from Archbishop Gauthier of Ottawa dealing at length with the constitutional rights in this connection claimed by his Church and its people.

As to the main grievance, he quoted the amendment to the Separate School Act passed in 1886 whereby: "A corporation may give notice to be rated for Separate School purposes, but only in proportion to the stock or shares held by Roman Catholics." This was said to have become unworkable under changed conditions and the nature of the shareholders' lists in such corporations as the C. P. R. with its constantly changing *personnel.* Bishop Scollard of Sault Ste. Marie, at this time, had a series of articles in *The Nugget* of North Bay with the suggestion that the Assessment Act be amended to define every Roman Catholic in Ontario as a Separate School supporter, unless he asked exemption or change, as the chief point. During the year the Catholic Educational Council of Ontario was formed and its first publication was a pamphlet entitled "Denominational Schools in British Canada." Represented by the Toronto Archbishop, the Bishops of London and Peterborough and various lay members, this Council, on Dec. 20, presented a further statement to the Premier of Ontario with the following claims:

1. Separate School supporters do not enjoy the exemption from taxation for the support of other schools, granted them in the Separate Schools Act of 1863.

2. Of the four Provinces in Canada in which Separate Schools are established by law, Ontario stands alone in making no effective provision for the equitable distribution of Corporation taxes.

3. Because of mixed marriages there are thousands of Catholic children in the Separate Schools whose parents are not allowed to pay their taxes to the schools in which the children are educated.

4. That 5th Form work was forbidden to Separate Schools by Regulation in 1915, after having been carried on since 1863 and earlier; while right to establish Continuation Schools was withdrawn by another Regulation. The return of these rights was requested.

This agitation naturally evoked opposition and it was expressed with ample fullness and unquestioned force in the *Orange Sentinel* and the Toronto *Telegram* with H. C. Hocken, M.P., Grand Master of the Loyal Orange Association, as the chief protagonist of this school of thought. There were Resolutions passed by some public bodies and there were press comments in opposition to the subject throughout the year. Naturally, the 12th of July avoked some strong expressions and Mr. Hocken told the Toronto Orangemen that, if the Roman Catholic proposals were granted, millions of taxes paid by Protestants opposed to the principle of separation in education would go to support schools designed primarily to impart knowledge of the Roman Catholic Catechism. He claimed that Separate Schools had been forced upon the people of Ontario in 1863 by the votes of the representatives of Quebec in the United Legislature and that "it was an unscrupulous violation of an agreement that no law should be imposed upon either Province except by the consent of a majority of the representatives of that Province".

When R. W. Scott's bill was before the United Legislature, 21 Upper Canada members were stated to have voted for the Bill and 31 against it while 34 of the 36 members from Quebec voted for it. The chief action taken was in Toronto on Oct. 6 when the Board of Education, on motion of Rev. H. A. Berlis passed a lengthy Resolution referring to this demand of the Roman Catholics of the Province and the current propaganda in its support; giving reasons against the proposal and finally recording an emphatic protest against any re-opening of the School question or any grant to the Separate Schools along any of the lines suggested; denouncing any regulation or legislation that would further extend Sectarian schools in this Province at the expense of the Public Schools. The reasons given were as follows:

1. That demands now being made by the Bishops are the same in principle as the demands made by the Roman Catholic Church representatives before Confederation, viz., to receive public monies for Separate School support, not in proportion to the Roman Catholic taxable property, but in proportion to the population, though the ratio of that population may be many times that of the taxes they pay.

2. That similar demands were denounced by Dr. Egerton Ryerson as "a monstrous proposition," and were rejected by the Government and Legislature of United Canada in 1855, 1858, 1860, 1861 and 1862.

3. That the Separate School Act of 1863 was confirmed as "a finality as to assumed rights" by the B. N. A. Act of 1867, Section 93, and adopted by the Parliament because of that belief.

4. That to grant the present demands of the Roman Catholic Bishops would not only violate the fundamental principle of the Act of

1863, but would, in an arbitrary manner, define all Roman Catholics as Separate School supporters, and result in the crippling of the splendid Public and non-sectarian school system of Ontario.

A similar Resolution was passed by the London School Board; the annual Baptist Convention of Ontario and Quebec (St. Thomas, Oct. 21) opposed by Resolution all teaching of religion in Schools; Resolutions poured in to Orange headquarters from Lodges all over the Province. On Oct. 31 H. C. Hocken addressed the Canadian Club in reply to Archbishop McNeil. He started by declaring that the Separate School system was not a Public Service; it was a special service for one set of people in the community. He claimed that the 1863 settlement was a final one and that, notwithstanding this, there had been nearly two score amendments to the Act of 1863, and every one of them to the advantage of the Separate School system; that, outside of the selection and approval of text-books, guarding of the teachers' qualificataions and the auditing of accounts, the control of Separate Schools, in every other respect, was vested entirely in the ecclesiastical authorities; that, according to the voting in 1863, Separate Schools were forced upon Ontario by the Quebec majority in the United Legislature.

He stated that the division of taxes of incorporated companies asked for by the Archbishop "would take from the Public Schools at least a million dollars a year that they are now receiving for the public, non-sectarian system"; that where there was difficulty in ascertaining the religion of shareholders (as in the C. P. R.) then the public, non-sectarian system should have the benefit of the doubt; that the proposed policy was a reversal of existing conditions because "'the law as it stands to-day, makes every citizen of Ontario *prima facie* a Public School supporter"; that in Ontario amendments to the Separate School Act in 1904 had enacted that a Corporation "by notice to the Clerk of any Municipality where Separate Schools exist, may require the whole or any part of the land of which said Corporation is either owner or occupant to be entered, rated and assessed for the purpose of such Separate Schools". Mr. Hocken concluded with the statement that he "hoped soon to see the day when the children of all Canada would be taught in one Public School system."

The University of Toronto in 1921. According to the Report of Sir Edmund Walker as Chairman of the Board of Governors for the year of June 30, 1921, the gross revenue of the Provincial University was $1,082,867 and the expenditures under appropriation for salaries and maintenance $1,937,516; to this deficit of $868.479 there had to be added a debit balance from 1919-20 of $9,311. To meet the total there was a Special grant from the Legislature in 1921 for $880,000. The total Staff of the University was 558 of whom 325 were demonstrators, Fellows and Instructors with sessional appointments; this Staff was distributed amongst the different Faculties and in Univer-

sity College, Victoria College, Trinity and St. Michael's Colleges. The number of students registered during 1920-21 totalled 5,060 —inclusive of Summer Session occasionals—and were divided as follows:

	Men	Women	Total
Faculty of Arts:			
University of Toronto	128	61	189
University College	630	540	1,170
Victoria College	319	191	510
Trinity College	88	41	129
St. Michael's College	121	85	205
Graduate Courses	113	50	163
Faculty of Medicine	1,039	88	1,127
Faculty of Applied Science	805	1	806
Ontario College of Education	150	76	226
Faculty of Forestry	55		55
Faculty of Music	12	6	18
Department of Social Service	18	348	366
Department of Public Health Nursing		126	126
Registered twice	20	11	31
Total	3,498	1,624	5,122

The degrees conferred during the year were 1,006. In his Report the President, Sir Robert Falconer, dealt with outstanding incidents of the fiscal year and detailed summaries of the Heads of Faculties and Departments. He stated that during 1920-21 the Alumni Committee had made loans to 214 returned soldier-students of $46,399; that Prof. J. A. Dale's first Report as Director of Social Service showed notable progress in that connection—with 366 registered students and 296 in short courses; that Dr. A. S. Vogt, as Dean of the Faculty of Music, had succeeded in completing the transfer of control in the Toronto Conservatory of Music to the University and his Faculty; that the Rockefeller Foundation grant of $1,000,000 for the Medical Faculty had made the re-organization of the Surgical Department possible; that W. J. Dunlop had been placed in charge of the Department of Extension and Publicity and, in his Report, Mr. Dunlop specified the circulation of 65,000 Bulletins, booklets, pamphlets, calendars, etc., during the year. The Librarian, H. H. Langton, M.A., reported 168,418 bound volumes and 54,176 pamphlets in the Library with 63,491 books taken out and used during the year. Important appointments of the year included Dr. Clarence Starr, as Professor of Medicine; Miss E. K. Russell as Director of Graduate Nurses Course; Dr. Gideon Silverthorn as Professor of Medical Jurisprudence and Dr. Victor J. Harding of Pathological Chemistry.

The University adopted several new and progressive lines of thought during the year. One was the establishment of a Winter Course especially designed for Farmers, arranged in co-operation with the U. F. O. Educational Department, and opened by Sir R. Falconer on Feb. 6 with 263 enrollments. In his address the President stated that the Lectures would cover farm economics, farm architecture, public health, English literature and Canadian history; he described the value and importance of the University with its Faculties, training and degrees, each contributing a share to the social, economic and industrial betterment of the people. At the close of two weeks' Session

the Course was proclaimed a great success. Another new Course was in Journalism arranged also by the Extension Department in collaboration with Canadian newspaper men; it included English Literature and Composition, Canadian constitutional history, public health and hygiene, newspaper jurisprudence and several subjects of a technical nature; amongst the lecturers were Professors W. J. Alexander, G. M. Wrong, G. D. Porter, J. G. Fitzgerald and J. J. Middleton with J. E. Atkinson, J. C. Ross and J. R. Bone as practical journalists dealing with special subjects.

These and other Courses followed a re-organization in 1919 of the Department of University Extension, which was placed in charge of all adult education carried on by the University with W. J. Dunlop, B.A., as Director of University Extension. This outside work soon assumed new importance and was developed with great rapidity. The work amongst teachers, who were seeking better qualifications, was quadrupled in extent and the Summer Courses grew greatly in attendance and interest until, in 1921, the University was serving 500 Ontario teachers and helping indirectly the thousands who were in charge of such teachers. The short Winter Courses for Farmers have been mentioned, and out of that development Tutorial Classes were established in various rural centres where English Literature, Canadian History, Community Singing, Current Events and Civics were taught.

For 20 years the University had given Extension lectures on a great variety of subjects, throughout the Province, at a nominal charge; this form of service was greatly expanded in 1921, and various organizations were taking advantage of it. In September the course in Journalism lasted a week and was attended by 128 newspaper men and women. Another successful Short Course (two weeks) was that dealing with Civics and Town-Planning, in which 51 civil engineers, architects, etc., enrolled. A rather radical departure was the establishment of extra-mural University classes at the Central Y. M. C. A. and in the City of Hamilton. At these evening classes exactly the same work was taught as in the General Course in the University and persons employed during the day could secure a B. A. degree by evening study and three years' academic work in five years' time.

At Toronto, Courses in Household Science, comprising two lectures and one laboratory period per week for ten weeks, were arranged for housewives and, in each instance, the accommodation was fully taken up soon after the announcement of the course; Tutorial Classes in English Literature, Economics, Zoology, and Italian, for Vocalists, were conducted; free public lectures were given frequently in Convocation Hall and the Hall, usually, was filled to its capacity. Another form of public service at this time in the University was given through the Classes carried on under the Workers' Educational Association—a co-operative body of labour and learning; it was controlled by an

Executive Council on which the University, the Trade Unions, and the general public were represented. Instruction was given mainly by members of the University Staff, and the funds were largely contributed by the University; the Classes were carried on in Economics, English Literature, British History, Psychology, International Finance, Public-Speaking and Trade-Union Law. In Hamilton the Classes covered Economics, English Literature, and Psychology; in Ottawa they covered English Literature, Economics, and British History. In all these phases of its Extension work the University reached approximately 3,000 adults during 1921.

Addressing an Alumni dinner in Hamilton (Feb. 14) President Falconer dealt with the general situation of the University: "It should be supported in such a manner that any young Canadian can get an education equal to the best on the Continent, so that there will be no drain across the border. The weaknesses of the University are caused by its rapid growth—an insufficient number of buildings and too small a staff. A building programme involving the expenditure of $4,100,000 has been laid out." When the University Commission Report was made public disappointment was expressed at the fact that the University had asked for the above amount with, also, an increase of $1,000,000 in its revenue for the next 10 years and that the total recommendation made was for $3,000,000; at the same time Sir Robert Falconer expressed himself strongly in favour of the Succession Duties proposal as meaning a stable and perhaps increasing income. The decision of the Drury Government not to accept this policy was a still more serious disappointment. Following this the Alumni Association of the University undertook an active campaign throughout the Province to urge the adoption of the Report upon the Government.

In replying to certain attacks upon the University, made at this time, Brig.-Gen. C. H. Mitchell, C.B., stated (Apr. 9) that the Faculty of Science was one of the most important factors in the development of the Province and that a great many manufacturers and business people, and others engaged in industrial work, took the course; that there was a great demand for students in the electrical, mechanical and chemical branches; that the Medical School was one of the finest in America with the Faculty taking every means to make it a thorough, comprehensive course of six years; that "the graduates of the Faculty of Applied Science now aggregate 2,040 and of this number 1,444 are at present engaged in the Province of Ontario, 78 in Quebec and the Maritime Provinces, 240 in Manitoba, the Western Provinces and British Columbia, 177 in the United States with 64 deceased."

The annual Convocation of the University was held on June 10 with degrees in Arts, Medicine, Philosophy, Engineering, Forestry, Law, Pharmacy and Veterinary Science bestowed upon many graduates and the degree of Hon. LL.D. upon the fol-

lowing: Rt. Hon. Arthur Meighen, K.C., B.A., Rt. Hon. Jan Christian Smuts (*in absentia*), Hon. E. C. Drury, B.S.A., Hon. L. A. Taschereau, K.C., Hon. N. W. Rowell, K.C., and F. W. Merchant, M.A., PH.D. The Hon. degree of Doctor of Letters was given to W. P. Mustard, M.A.,PH.D., and Duncan Campbell Scott, F.R.S.C. There were two special Convocations during the year. The first was on Aug. 13th, when four representative men in connection with the Imperial Teachers' Conference were given the degree of Hon. L.L.D.* On Nov. 28 the new Governor-General, Lord Byng of Vimy, was similarly honoured. Speaking on Nov. 6 Sir R. Falconer described the University as specially equipped to give "specific instruction in Hydro-electric engineering", while the large deposits of clay near Toronto would make the development of a Course in Ceramics most useful.

Educational Interests and Incidents. There were echoes during the year of the French-Canadian School question in Ontario. In March Senator N. A. Belcourt of Ottawa, a distinguished lawyer and publicist, was elected President of the French-Canadian Educational Association of Ontario, in succession to the late Senator Laudry and, temporarily, S. M. Genest of Ottawa. At this time (Mch. 21) a statement was issued by Bishop M. F. Fallon of London as to the attitude taken by him during, and since 1910, upon what he described as "the inefficiency of the so-called Bi-lingual School system." Charges had been made against the Bishop of being unfriendly to the French language and the French-Canadian people and of having forbidden the teaching of French, or preaching in French, in his Diocese. The allegations were absolutely denied but eventually they found their way to Rome after the Bishop had brought them formally before his Diocesan Tribunal at London. The matter was taken over and considered by the Holy Roman Rota between 1914 and 1920 along the following lines; (1) The competency of the Diocesan Tribunal of London; (2) the alleged refusal to allow teaching of French or preaching in that language; and (3) the assumption that opposition to the inefficiency of Bi-lingual Schools meant hostility to the French language instruction or French-Canadians. The judgment, as finally issued, and given in the Bishop's statement of the case was claimed to be a complete vindication an all these points—No. 2 being described as "a fabrication and altogether foreign to the truth."

To this document of Bishop Fallon's the Educational Association under Senator Belcourt published a lengthy reply, on June 29, in which it was claimed that "the true interpretation of facts was not favourable" to the Bishop. Quotations were given to show that the Rota did not consider the Bishop's local tribunal as above "a touch of suspicion"; it was pointed out that the Bishop of London was ordered to pay the costs of his action and to carry out the sentence imposed by a Tribunal in 1917 and pay to the Rev. Father St. Cyr "a decent sustenance"; it was stated

*Note.—See Page 226 of this volume.

that the Bishop's description of Bi-lingual schools as "inefficient and detrimental to French-Canadians," was described by the Rota as "not immune from error"; the special Report to the Provincial Government of Dr. F. W. Merchant was quoted to prove the worth and value of these schools in 1911 and 1912; the Association reiterated its charges in another form and declared that "on the Bi-lingual school and language questions these (Essex) priests can hardly caluminate the Bishop"!

During the year the United Farmers of Ontario issued a pamphlet on "Public Schools in the French-speaking Districts" which pointed out that French-Canadians considered the Ontario laws to infringe certain natural rights; described the Regulations of the Department of Education as inconsistent one with the other—as, for instance, Regulation 15 passed in 1890 and Regulation 17 passed in 1913; stated that the securing of a sufficient number of properly qualified teachers for English-French schools was a serious problem. The following conclusions were stated: (1) that "the claim of the French-speaking people of Ontario that their children should be educated in French as well as in English is natural and just"; (2) that the teacher made the school, and the French-speaking people of Ontario should have as good teachers as their English-speaking neighbours; (3) that results in education were more important than methods, that a degree of freedom was essential to development in the pupil and in the teacher and that the teacher should be allowed "a good deal of latitude" in adapting the method and subject matter to the pecular conditions of the locality "in which he was teaching."

The Orange *Sentinel* (Nov. 1st) replied at length to this pamphlet and claimed: (1) that the question was at bottom religious despite the fact that chief among the opponents of the French claims were the Irish and, in some cases, Scotch members of the Catholic Church; (2) that the Privy Council's decision had settled the matter once for all and that the French would accept a verdict which established (a) that the people of Ontario, through their Department of Education, had full control of the course of studies in public and separate schools, and (b) that elected School Boards had certain rights, and could not be removed at will to make way for appointed officials; (3) that it was difficult for children to learn a second language, and next to impossible for a teacher to conduct a school in two languages; (4) that "our French compatriots are seeking to bring the Educational System of Ontario under their control."

There were a number of important Educational meetings during the year in Ontario. The Urban School Trustees of Ontario met at Hamilton on Jan. 13 when J. F. Carmichael of Kitchener declared that the present-day danger was the magnifying of the commercial aspects of Education. Many other speeches were made and Resolutions were passed (1) urging a closer censorship of Moving Pictures and suggesting Depart-

ment of Education control and (2) urging the Department to take steps to overcome the existing shortage of teachers. Walder Parke, of Hamilton, was elected President.

The Ontario Educational Association met in Toronto on Mch. 28-30 with about 2,000 Inspectors, Principals, Teachers, Trustees and other delegates in attendance and 27 Sectional meetings under way. The President, James Davidson, B.A., was in the chair and a long series of addresses were given commencing with those of Hon. R. H. Grant, Minister of Education, and Sir R. A. Falconer. The Rev. Dr. D. Bruce Macdonald, President, Canadian Amateur Athletic Union, dealt with "Athletics in the Life of the People"; Maj.-Gen. Sir A. C. Macdonell with "Ideals in Sport"; A. A. Jordan, I.P.S. of East York, with Rural School Consolidation; F. P. Gavin with the Adolescent School Act; W. A. Amos of the U.F.O. with Revision of Regulations; Mrs. W. E. Groves with "The Educational Crisis." Other speakers were Mrs. A. E. Todd, President of the Ontario Women's Institutes, and Mr. Premier Drury.

A multitude of addresses were given in the various Sections and many Resolutions passed. The more important of the latter was the School Trustees' approval of Consolidated Schools and their declaration in favour of voting power being given to wives, daughters and sons of ratepayers in any Municipality. The Public School Section urged the Department to create a Board of Reference to deal with all disputes between school trustees and teachers and expressed sympathy with and promised financial help, by a voluntary fund, to the Alberta Teachers' Alliance in its fight with the Provincial Government. John Waugh, B.A., D.Pæd., of the Education Department, was elected President. The following Presidents of Sections and Departments were elected:

Department or Section	President	Place
Elementary	Miss I Shannon	Goderich
College and Secondary Schools	W. J. Falter, B.A.	Woodstock
Supervising and Training	M. R. Reid	Charbot Lake
Trustees	Judge J. H. Scott	Perth
Public School	M. W. Althouse	London
Kindergarten	Miss N. Dorien	Toronto
Primary	Miss M. Isabel Wilson	Toronto
Household Science	Miss E. MacVannel	Peterborough
Modern Language	Prof. J. E. Shaw	Toronto
Natural Science	W. H. Tuke, B.A.	Haileybury
Classical	Dean W. Sherwood Fox, Ph.D.	London
Mathematics and Physics	J. F. Brock, M.A.	Toronto
English and History	Miss K. M. Stewart, B.A.	Toronto
Commercial	G. M. James, B.A., LL.B.	Belleville
Continuation School	H. E. Thompson	Bridgeburg
High School Principals	E. E. Wood, M.A.	Fort William
Inspectors	A. J. Husband, B.A.	Brockville
Training	Dr. P. Sandiford	Toronto
Music	Alex. C. Cringan, Mus. Bac.	Toronto
Technical and Manual Art	A. F. Newland	Ottawa
School Health and Physical Education	O. C. J. Withrow, M.D., M.R.C.S.	Toronto
Reformed Spelling	Prof. D. R. Keys, M.A.	Toronto
Home and School	F. B. McCready, B.A.	Toronto
Ontario Public School		
Men Teachers' Federation	J. A. Short	Swansea
Women Teachers Association	Miss E. Johnson	London

Another Convention at this time was the 21st annual meeting of the Ontario Library Association with 100 Libraries represented and 250 delegates present. Addresses were given by Fred Cook, Ottawa, B. W. N. Grigg, Waterloo, and others. W. J. Sykes of the Carnegie Library, Ottawa, was elected President; W. H. Murch, St. Thomas, and William Briden, St. Catharines, were chosen Vice-Presidents; Dr. E. A. Hardy, Toronto, was elected Secretary-Treasurer. An Association connected with the O. E. A. was the Public School Men Teachers' Federation which organized at this time and elected J. A. Short, Swansea, as President. The Ontario Federation of Home and School Associations also met and reported 100 Associations throughout Ontario with extension also in the West. In the formation of these Associations the Women's Institutes, the Canadian Clubs, the Local Councils of Women, the United Farmers and the churches had everywhere co-operated. Mrs. A. C. Courtice of Toronto was Secretary. The Ontario Historical Society had a grant from the Education Department and its annual meeting took place at Niagara on June 8 with 401 members reported, and statements read from a number of affiliated Societies; a special Address was presented to Miss Janet Carnochan of Niagara and Brig.-Gen. E. A. Cruikshank was re-elected President.

Educational incidents of the year included the opening on Jan. 11 of Mills Hall, the new men's residence at the Ontario Agricultural College, Guelph; the grant, in January, by Toronto University of a site in Surrey Place for the building of a City Reception Hospital upon condition that students would be able to get clinical instruction; the declaration of the *Farmers' Sun*, as representing the U.F.O., on Jan. 22, that the Board of Governors of the University should be done away with, and direct responsibility for financing the University placed upon the legislators in Queen's Park; the establishment by Lieut.-Col. R. W. Leonard of a Scholarship Trust Fund of $250,000 to be utilized amongst 16 Canadian Colleges in different Provinces of the Dominion; on June 16 the announcement that, as a result of an investigation into recently-discovered cases of impersonation and copying in connection with Toronto University examinations, 8 students had been expelled and a number of others had their examinations for the year cancelled.

In August it was stated that the French Government had extended to two students of the University of Toronto a favour hitherto confined to those of the British Isles, under agreement made before the War between the British Board of Education and the French Ministry of Public Instruction, by which a certain number of posts in the French Lycees and Universities were awarded to the best students from Great Britain who desired to continue their French studies. Despite the great numbers of British applicants, this arrangement was, with the approval of the British Board of Education, extended to Canada. On Oct. 5, and two succeeding dates, Sir Robert Borden delivered the Uni-

versity Marfleet lectures of the year before distinguished audiences and dealt with the constitutional development of Canada; on Nov. 4 the official opening of the new Electrical Building took place. During the year President Falconer received the degree of Hon. D.C.L. from Oxford University. Another incident was the fact that *Flag and Fleet*, an eloquent study of the British Navy written for young people by Lieut.-Col. William Wood of Quebec and which was under discussion in 1920 as being anti-American, had, after some revision, remained on the Supplementary reading list of the Department. Notable retirements from Toronto University Staff during the year were: A. J. Bell, Professor of Comparative Philosophy, Dr. N. A. Powell, Professor of Medical Jurisprudence, Dr. Irving H. Cameron, Professor of Surgery for 33 years, and a surgeon of national reputation.

Other Institutions of Higher Education in Ontario— Queen's University, Kingston, like other institutions in Ontario, had for some years felt the need of greater financial support and its authorities, co-operating with other Ontario Universities, appealed to the Provincial Government and obtained, in 1920, the appointment of a Royal Commission on University Finances. Sir John Willison was the Queen's Trustee upon this Commission, which recommended that the annual revenue of $165,000 for 1920-21 should be increased to $275,000 for the years 1921-22 and 1922-23, and afterwards, for the three following years, to $300,000; a revision of the scale of this grant to be made at the end of each five-year period. In addition it was recommended that a sum of $340,000 be given to the University for the extension of its Heating plant, the completion of its Library Fund and for Extension work. The Government was not able to adopt the Report in detail but added $45,000 to the annual grant of the University, bringing the sum up to $210,000, and also set aside $125,000 for the extension of the Heating plant.

In the Principal's Report for 1920-21, Dr. Bruce Taylor stated that, despite disappointment at the failure of the entire adoption of the Report of the Commission: "The main position has been gained. A definite relationship has now been established between the Provincial Government and the Universities of Queen's and Western. What we are to receive in the future will be granted not as a matter of favour but as a matter of right." The registration in the various departments, for the session ending Apr. 30th, 1921 was as follows:—Arts, intra-mural 674, extra-mural 578; Science, 396; Medicine, 240; Banking, 380; total 2,268 less 9 registered in 2 Faculties, 2,259; for the 1921-22 Session a total of 2,430 students registered, including 998 extra-mural. The Financial statement, for the fiscal year ending Mch. 31, 1921, showed a total income for the year of $424,392; total expenditures of $446,377; with Assets of $2,526,364 and Liabilities of $2,600,648.

The more important appointments during the College year were Prof. R. O. Jolliffe, M.A., PH.D., of the University of Manitoba as head of the Department of Latin; Prof. J. T. McNeill, M.A., PH.D., of Westminster Hall, and Prof. A. E. Prince, M.A., of Manchester University, to the Department of History; Thomas Seccombe, M.A.,; Professor in English at the Royal Military College, Sandhurst, accepted the chair of English Literature; K. P. Johnston, B.A., B.SC., succeeded Dr. Daniel Buchanan as head of the Department of Mathematics. At the Spring Convocation the following were given the Honourary degree of LL.D.: R. W. Brock, M.A., F.G.S., F.R.S.C., University of British Columbia, Vancouver; Dr. James Cappon, Kingston; Miss Helen Y. Reid, Montreal; J. B. Turner, Principal, Collegiate Institute, Hamilton; C. V. Corless, Manager, Mond Nickel Co., Coniston, Ont. The Hon. E. C. Drury, Premier of Ontario, was also honoured earlier in the year. On April 11, the following were announced as elected members of the University Council of Queen's for a term of six years: W. F. Nickle, K.C., and F. King, Kingston; Dr. Victoria Reid, Toronto; A. Haydon, Ottawa; Dr. D. A.

McArthur, London; Dr. T. H. Farrell, Utica, N.Y., D. B. Calvin, Toronto; Rev. J. Binnie, Parry Sound; Hugh Bryan, Renfrew, and D. H. Laird, Winnipeg. Other incidents of note included the death of G. Y. Chown, M.A., ex-Registrar of the University, and for over 30 years connected with the institution in various official capacities, on Mch. 2nd; the conferring of the degree of Ph.D., on Prof. J. O. McCrae, of the Department of Chemistry, by the University of Manchester; the award of the Research studentship, offered for the first time by Trinity College, Cambridge, to students of British or Dominion Universities wishing to become candidates for the degree of Doctor of Philology, to William Harris Wynne, a student at Queen's. The Travelling Scholarships of $500 each given at the Queen's Theological College and their winners for the year were N. D. Patterson, B.A., Boulardarie, N.S.; H. R. James, M.A., Kingston. The St. Andrew's Church, Toronto, Scholarship of $500 went to J. A. McInnis, B.A., Troutbrook, N.S.

Western University, London, made strong representations to the Royal Commission, on Jan. 4, 1921, claiming that immediate needs called for a sum of $1,300,000, while maintenance requirements, for a 5-year period to follow, were $1,240,000. The Royal Commission recommended to the Ontario Government that the grant for maintenance should be $200,000 a year for the next two years and a grant of $250,000. for the three suceeding years, and, at the end of a 5-year period, these amounts should be readjusted for a further period of five years by a Court of Reference to be appointed by the Lieut.-Governor in Council. The Government decision for 1921 was a grant of $800,000 for new buildings. The enrolment in Arts, Medicine and Public Health for the College year 1920-21 was 426, *plus* 108 Nurses-in-training. For 1921-22, 429 students registered in Arts, 113 in Medicine with 34 taking full-time and part-time work in Public Health —a total of 576, exclusive of the Nurses-in-training, or an increase of 156.

In spite of financial difficulties, the institution expanded along several lines. On Nov. 17, 1921, the new Medical School, which had been erected at a cost of $500,000, was formally opened by the Hon. R. H. Grant, Minister of Education, and the Hon. Wm. J. Roche, Chancellor of the University; the Extension Department carried on a series of instructive lectures, in London, and also in many of the towns and cities of Western Ontario. A ten-weeks' course was given to Journalists during the spring of 1921, six lectures a week being delivered upon English Literature, Sociology, Journalism, History, etc.; in October, a night class in Commercial Law was started for the benefit of young business men in the city; the new Course in Public Health carried on at the Institute of Public Health, in affiliation with Western University, had a total registration of 530 students for the 1921 Autumn term; the Victoria Hospital Trust became affiliated with Western University; the University Board of Governors obtained control of appointments to the Hospital staff; the University C.O.T.C. was reorganized and over 100 students signed the roll to undergo the course of training.

Victoria College, Toronto reported a registration of 598 students in 1921, with 98 graduates in Arts and 45 in Theology; the Financial statement showed total Assets of $2,212,374 of which $1,168,054 was endowment. Through the generosity of Sir John Eaton, the College secured, during the year, the only complete collection of the writings of John and Charles Wesley. It was made by Rev. Richard Greer of Didsbury College, Manchester, England, and comprised 500 volumes. On Oct. 1, the Rev. Charles Allen Seager, M.A., D.D., was appointed Provost and Vice-Chancellor of Trinity College, succeeding the Rev. T. C. Street Macklem, D.D., who had resigned after holding the Headship of the University for 21 years. Another event during the year was the founding of a Lectureship for Divinity Alumni by the Very Rev. Dr. Starr, Dean of Ontario, and, also, the acceptance by the Corporation of an offer from Coulson Tregarthen, a graduate residing in South Africa, to found a Chair in Church Music.

On Jan. 5, the Toronto Presbytery nominated Rev. Dr. W. H. Sedgwick, of Central Presbyterian Church, Hamilton, for the Chair of Homiletics at Knox College. At Wycliffe College, on April 29, four stained glass memorial windows in the College Chapel were dedicated to the memory of those students who died in the World War, while in the College Hall an Honour Roll of Service was unveiled in honour of those who had enlisted. On Oct. 21, in connection with the opening of the new Term, the degree of Hon. D.D. was conferred "in absentia" upon the Most

Rev. F. H. DuVernet, Archbishop of Caledonia, Metropolitan of British Columbia, and a portrait of Principal O'Meara was unveiled in honour of the latter's long and valued connection with the College.

McMaster University had an attendance of 285 students in Arts and Theology, for the year 1920-21, and in affiliation with it were Woodstock College (preparatory) with 122 students, and Moulton College (ladies) with 160. The election, held on Oct. 19, to membership on the Board of Governors resulted in three of the retiring members being re-elected: James Ryrie, J. K. McDermid and E. C. Fox with John Gillies as the 4th member. On May 18, at the Spring Convocation, the following Honourary degrees were bestowed: LL.D. on Rev. Frederick Eby, Professor of Education in the University of Texas and Sir John Kennedy of Montreal; D.D. upon Rev. James Henry Rushbrooke of London, England, European Commissioner of the Baptist World Alliance, and Rev. John Rupert Stillwell, who had been a Baptist missionary in India for 35 years. Among the Secondary and Preparatory Colleges, Ridley College, St. Catharines, held its Prize Day functions on June 22nd, and the resignation of Principal J. O. Miller, D.D., after 32 years service, was announced; his successor was H. C. Griffith, M.A. who had been on the staff for many years.

On June 9, at Belleville, the first sod of a greater Albert College building was turned, by R. J. Graham, ex-Mayor of Belleville. Principal Baker stated that $425,000 had been secured toward the estimated cost of $500,000. June 13-14 marked the closing Exercises for Bishop Strachan School, Havergal College, and Branksome Hall, in Toronto. On Oct. 21, a criticism of the Matriculation examinations was the feature of an address by Principal Grant at Upper Canada College, who said that the Junior Matriculation examination was satisfactory, but that too many subjects had to be taken for Honour Matriculation. He favoured only 2 compulsory subjects, leaving the students a wide choice for the others. On Nov. 21st, the first meeting of the 21st Council of the Ontario College of Pharmacy was held at the College. The following officers were elected for two years: President, Burwell Griffin, Hamilton and Vice-President, T. E. McLelland, Galt.

Penetanguishene Tercentenary Celebration. On Aug. 1-6, amid scenes replete with historical associations, the town of Penetanguishene celebrated its 300th anniversary and commemorated the deeds of the gallant French-Canadians in their search through this region for an unknown West. During a week of brilliant pageantry there was an ever-present and absorbing thought of the deeds and spirits of these early Canadians as they ventured, far into vast waters and forests of a new land, to seek and serve their Country or their God. Typifying the idea, and of more than local interest, was the landing, at this point, of the great Champlain, in 1615, when on his first expedition to the country of the Hurons. He was accompanied from Quebec by Father Le Caron of the Franciscan Order, who was fated to reach Huronia before him, and, like many of the devoted missionaries such as Bréboeuf and Lalement, the martyred Jesuits, who followed him, to make a famous place in the history of this country and of the Continent. Merged in these thoughts was one, on the part of the Rev. Father Athol Murray who initiated the Celebration, that it would help to bring closer together the feelings of the French and English Canadians of this later time. In the project of 1921, he was ably supported by J. T. Parett, Mayor of Penetanguishene, C. E. Wright, President of the Historical Society, and Rev. W. F. Gilmore of the same town.

On Aug. 2nd proceedings opened with solemn High Mass in the Jesuit Memorial Church, the celebrant being Monseigneur Kidd of Toronto. The sermon, in tribute to Jesuit and Franciscan heroism in Huronia, was given by Rt. Rev. Father Doyon, Superior General of the Dominican Order, St. Hyacinthe, and was followed with the unveiling of a handsome statue in bronze, of Father Joseph Le Caron, the Recollet, said to be the first white man to reach Ontario. The ceremony was performed by Archbishop McNeil of Toronto, and an eloquent historical address was delivered by the Very Rev. Dr. W. R. Harris, of Toronto. The next event was the unveiling of two figures in bronze (Ontario and Quebec) symbolic of the *bonne entente* between the two Provinces, with that of Ontario unveiled by Hon. E. C. Drury, Prime Minister, and that of Quebec by Hon. J. E. Caron, Minister of Agriculture, who represented the Quebec Government.

This was succeeded by the unveiling of a Tablet to Abbé Laboreau, to whose efforts were due the erection of the Jesuit Memorial Church in Penetanguishene—the only Catholic Church in Canada built with funds provided by Protestants and Catholics together. Other memorials in the form of tablets and cairns, commemorated the work of Francis Parkman; the erection of the British Fort, on Penetang Bay, during the war of 1812; Sir John Franklin, who commenced one of his journeys to discover the North-West passage from this point; and the heroes of the Great War. The addresses of Mr. Premier Drury and Hon. Mr. Caron, and their declarations, marked the first public appearance of members of the two Provincial Governments on the same platform and speaking on the same subject, since the clash over language rights had aroused some controversy between the two Provinces.

Mr. Drury was emphatic in his denunciation of those who tried to further their personal interests and awake prejudices by creation of misunderstandings between the two great races in Canada: "I hope that the meeting of the two races here, to-day, will inaugurate a period of better understanding and may these pillars stand forever as an acknowledgment of our realization of the fact that Canada can be built up only on a basis of goodwill, understanding, and broad tolerance." Mr. Caron, in his address, pointed out that as far as the French-Canadians were concerned, the relations between Ontario and Quebec could not be narrowed down to the strict working of the Confederation pact and that French-Canadians living outside of Quebec, in the other Provinces, should receive the same treatment that the English people received in Quebec; "We want a sufficient moral guarantee that the abuse, thrown at Quebec by a certain press and by unscrupulous private individuals, will not be repeated at the next favourable occasion. We stand to-day as we have stood, for broadness of spirit, justice and toleration."

Others assisting in the ceremonies were Maj.-Gen. E. A. Cruikshank, President of the Ontario Historical Society; Hon. W. E. Raney, Attorney-General of Ontario; Hon. Cyrille F. Délage, Superintendent of Public Instruction in Quebec; Hon. Dr. H. J. Cody; Dr. W. R. Orr, Provincial Archaeologist; Mgr. Filion, Superior-General of the Jesuit Order in Canada; Mgr. Doyon, Superior-General of the Order of St. Dominic, Province of Canada; Mgr. J. K. Kidd, President of the St. Augustine Seminary, Toronto. August 3rd was marked by the actual treaty of Peace between the supreme chiefs of historic and hereditary foes—the Hurons and the Iroquois. They smoked the calumet and buried the war-tomahawk. Chief Ovide Sioui of the Hurons, represented his nation in this dramatic scene where the pact of brotherhood and peace was sealed with Chief Andrew Staats, the modern leader of the Six Nations, who had driven the Hurons from the land. At the conclusion of this ceremony, an historical paper was read by Lieut.-Col. Alexander Fraser, Provincial Archivist, giving a descriptive story of the Huron nation and the deeds of the pioneer explorers in this region. The story of a later period was delivered by Benjamin Apthorp Gould, a well-known literary man of Toronto. The solemnity of the religious ceremonies and the picturesqueness of the pageantry combined, with environment and traditions, to make the whole Celebration a most interesting historic event.

The Ontario Hydro-Electric Power Commission; Sir Adam Beck and the Radials.

For 15 years Sir Adam Beck had dominated the Power situation in Ontario; possessed of the capability, initiative and vigour so essential to a protagonist in any line of development, he also had the temperament which disliked opposition and resented criticism; up to 1920 and 1921 he had received very little of either after overcoming those of the pioneers of private electrical development in Ontario—Pellatt, Mackenzie and Nicholls. During 1921, however, he faced opposition on all sides and spent much of the year in keen defence of his policies and vigorous on-

slaughts upon his critics. The Hydro-Electric plans, as completed and operative, had few enemies; the Radial proposals had many and the Chippawa Canal project was feared because of its cost. Politics were interjected into the issue, and the U. F. O. party, outside the Legislature, was opposed to the intended extensions of the Power system and to Sir Adam's continued control, while various financial journals, already against public ownership in principle, denounced Hydro-Electric policies from another side.

None the less were this year and 1920 the most productive of all Sir Adam's period of effort. The important Power plant at Nipigon was completed; the Chippawa Power Canal came into operation at an expenditure running up to 60 millions with many millions more for completion; cheaper power was arranged in certain cases for the farmer; the Sandwich, Windsor and Amherstburg Railway was acquired by the municipalities under a Provincial guarantee, and the Guelph Radial was turned over to the Hydro-Power Commission for operation; the Yonge Street situation, although "cleaned up," was not closed up, and the Metropolitan Railway and the Port Credit and Scarborough lines were acquired, also under a Provincial guarantee; the Mackenzie generating plant at Niagara Falls and the transmission lines to Toronto and the Toronto Electric Light plant were purchased by the Commission for the City with partial guarantees by the Government. The Hydro-Electric Power Commission during 1921—up to July—was composed of Sir Adam Beck, KT., LL.D., (Chairman), Hon. I. B. Lucas, K.C., and Lieut.-Col. Hon. D. Carmichael, D.S.O., M.C., with W. W. Pope as Secretary and F. A. Gaby as Chief Engineer. On July 26 Mr. Lucas, who had been a member of the Hearst Government, resigned, and F. R. Miller of Roger Miller & Sons, and a member of the Toronto Transportation Commission, was appointed his successor.

At this time Canada, with 20 per cent. of the world's total water-power, had about 20 per cent. of the world's development in Electric power; to the Electrical operation of (1) the Ontario Development Company and Sir W. Mackenzie and his associates and (2) to the much greater work of the Power Commission, Ontario owed most of its 1,000,000 horse-power development out of nearly 6,000,000 h.-p. which it possessed. The plan adopted, following upon the Power Commission Act of 1907, developed a form of partnership between the municipalities and the Provincial Government; in 1920 the 11 Systems throughout the Province, supplied by the Commission, received 337,170 h.-p., and electric energy was furnished to 500 farms located in various parts of the Province and to, approximately, 5,000 other rural consumers. The 12 pioneer municipalities which first entered into the projects of Sir Adam Beck now had Hydro-Electric plants costing $14,530,748, other Assets stated at $4,750,245, Reserves of $5,533,474, Liabilities of $12,433,408 and a Surplus of

$1,314,080; the same 12 Municipalities had, since 1908, reduced their rates by 75 per cent., according to the Hydro-Power Commission's official statements. The following table shows the growth of the Niagara System—one of 11—in the 8 years of 1913-20, and excluding the recently-acquired Ontario Power Co.:

Date	Plant and Other Assets	Debenture Balance and Other Liabilities	Debentures Sinking Fund and Other Reserves	Plant Renewals Reserve and Surplus	Number of Utilities Served
1913	$15,063,426.89	$13,848,668.40	$ 540,705.16	$ 674,053.33	47
1914	19,436,583.13	17,178,853.44	766,683.16	1,491,044.53	68
1915	24,877,643.62	21,549,289.19	1,024,234.58	2,304,119.85	93
1916	28,810,108.06	24,099,428.99	1,451,354.43	3,259,324.64	111
1917	32,827,909.94	26,767,777.89	1,817,551.17	4,242,580.88	127
1918	36,796,157.18	28,846,535.50	2,245,881.82	5,703,739.86	151
1919	40,750,207.81	31,127,009.00	2,808,852.55	6,814,346.26	155
1920	45,745,630.21	33,609,663.85	3,525,108.94	8,610,857.42	167

An official financial statement (the latest available) for the year ending Dec. 31, 1920, and dealing only with the relations of the Commission and the Municipalities, gave the Assets of the Hydro-Electric Power Commission—including the Commission's Plant (Lines and Stations) apportioned to Municipalities ($14,969,018), Municipal Systems and other Plant Assets ($30,776,611), Ontario Power Co. Plant, etc.—as $73,052,213. The Liabilities—including Commission's borrowings from Provincial Government, apportioned to Municipalities ($14,969,018), the latter's Debenture Debt and other liabilities in respect to Local Systems, ($18,640,645), the Ontario Power Company's Debt and liabilities in respect to the Development Plant at Niagara Falls —were $59,362,017; the Reserves, including Sinking Fund, Plant Renewal, etc., were $10,890,873 and the Surplus $2,799,323.

The comment of the Power Commission upon these figures was: "This satisfactory financial condition has been reached in an operating period of 10 years, 5 of which were fraught with unprecedented difficulties created by the greatest economic upheaval the world has ever witnessed. Despite increased costs of operation, which none could foresee, or even anticipate, the enterprise has more than maintained its solvency, notwithstanding the fact that it has, during the period under review, remunerated its co-partners to the extent of approximately 8 millions of dollars through the medium of rate reduction." Of course these figures did not include liabilities in respect to the Chippawa project or accounts in full between the Commission and the Government. As to this, the Deputy Treasurer of Ontario stated to the Radial Commission (Feb. 4) that the Provincial Government had advanced to the Hydro-Electric Commission up to Jan. 31, 1921, a total of $73,312,501—of which $27,550,000 was for the Chippawa Canal.

The Power Commission and the Legislature. Apart from the Radial question the Power Commission was considerably discussed in the Legislature during 1921, and the attitude of the Drury Government there and to the public was one of evolution. The *Farmers' Sun* was persistently attacking Sir Adam Beck and

the U. F. O., apparently, wanted to cut the Commission's expenses and curb its powers—with the appointment of a Minister of Power either in its place or as an over-riding authority. The Toronto *Globe* strongly opposed this suggestion with arguments which were summed up in its declaration on Dec. 13 that: "The Hydro-Electric Commission has in the past been a non-political organization, subjected to very little interference on the part of the various groups of politicians who have governed Ontario since the Commission was formed." The efficient technical organization of the Hydro-Electric Service was described as absolutely beyond the sphere of political administration. On June 26 the Report of the Legislative Committee appointed in 1920 (J. G. Lethbridge, J. R. Cooke, John O'Neill, F. H. Greenlaw and W. H. Casselman) to devise a more equitable system of Power distribution was submitted to the House. The following quotations from its Report indicate the general trend and conclusions:

1. Your Committee has come to the conclusion that a flat rate for the Province is neither practicable nor advisable, but is convinced that much can be done to lessen the burden of providing the small urban centres and rural districts with Hydro-Electric Service. Your Committee believes that the natural resources of this Province should be utilized for the benefit of all the people of this Province. Therefore, your Committee recommends that a rental be charged upon all power developed within the Province, and that such rental be paid into the consolidated revenue of the Province.

2. The Committee believes that $2.00 per horse-power would be a reasonable rental. There is now developed within this Province 999,132 h.-p.. This would yield the Province a revenue from rentals of almost $2,000,000 per year available to assist and encourage agricultural districts, where the price of power is now unduly high, in utilizing electric light and power in the home and upon the farm.

3. While the Committee is not in favour of a flat rate for the Province, it is in favour of enabling each rural municipality, or municipal power zone, to have a flat rate for all residents within its boundaries, and your Committee would recommend that the Government should generously assist in some way the transmission of electric light and power to country districts. Your Committee also believes that the Hydro-Electric System should pay in taxation to this Province, in the same proportion as would a private individual, upon the same property in the different municipalities in which it is situated, and estimates that a revenue of at least $500,000 a year would be derived from this source.

The water-powers developed by nine large paper, pulp and other concerns to a total of 110,000 h.-p. were specified, also, as giving no rental to the Province; from a list of lesser water-powers the Province did get a lease-rental of $19,787. It was suggested that the Government should aid rural industries—the farms—by a sum equal to 50 per cent. of the additional cost in excess of $30 per h.-p. with a maximum of $25 per h.-p. per year; further assistance might be granted to the local Power Commissions of a sum sufficient to meet 80 per cent. of the annual charge necessary to pay for the cost of building and maintaining in rural districts the low tension transmission lines required for rural distribution—such aid not to exceed 50 per

cent. of the revenue derived from power rentals. Reference was made to the $105,000,000 of Hydro-Electric liability which the Province had incurred and a question was asked as to what had been received in return.

Addressing a Toronto meeting on Jan. 28, Mr. Premier Drury declared that the principle of a tax on power developed was good, but he was inclined to think that the two dollars per h.-p. suggested by the Committee was too high. He pointed out that the Government was in no way responsible for the Report: "Cheap power for the farmers is absolutely necessary. They are the people who need it more than any other people in the country." The comment of the *Farmers' Sun* was to urge appointment of a Minister of Power. On Apr. 27 it declared, in connection with a Hydro-Electric vote of $29,000,000 that: "It is not responsible government, nor is it democracy, to hand over a huge sum of money to an irresponsible body of men, no matter how competent they may be." On Apr. 13 Mr. Drury told the Legislature that, owing to the financial situation, the Government would be unable to put into effect the Committee's suggestions—either as to taxing the Commission or taxing Electric power. Meanwhile, on Feb. 21, by invitation of the Premier, Sir Adam Beck placed before an informal gathering of about 60 members of the Legislature, his views as to the development of Hydro-Electric Services in general and regarding the Report of the above Committee in particular. He spoke at length and described the whole enterprise as essentially a municipal one.

As to the taxation proposals and the super-tax to aid rural distribution, he said: "We are not a Company making money. We are selling our product at its actual cost. If you tax us, you simply take your money from one pocket and put it in the other. Quebec is offering free sites for industry, and Ontario is proposing to tax—yes, super-tax, this industry." There was, he thought, one way whereby farmers might reduce the cost of installation and equipment. This lay in co-operation. Let farmers buy the necessary materials in bulk lots; let them cut, haul and spot the poles; let them dig the holes and, to a large extent, erect their own lines. Allowing for a Government grant of one-third of cost, farmers who so co-operated could reduce by another third the cost of their own systems. Sir Adam, also, stated (*Globe*, Feb. 23) that before very long the people of Ontario would have an investment of $212,000,000 in generating plants and transmission and distribution systems, with over 1,000,000 electrical horsepower available for use; that if it were necessary to produce this quantity of energy by the consumption of coal, the minimum expenditure would be $36,000,000 for generation alone; that the actual cost of generating 1,000,000 h.-p. by water in Ontario would be less than $10,000,000, and that the selling price—providing fully for sinking and replacement funds—would range from 12 to 15 millions.

On Apr. 12 the Hon. D. Carmichael explained the Hydro-Electric Estimates to the Legislature and stated that the Chip-

pawa Power development would cost the Province, in capital investment, approximately $55,000,000 or about $100 per horse-power; this would mean, at 6 per cent., about $6 per horse-power annually with another $4 for developing the power. On Apr. 13 the Report prepared in 1920 by H. L. Cooper & Co., of New York, as to the cost of the Chippawa Canal, was tabled, and showed an estimate of $71,988,626 for 450,000 h.-p. and $88,930,-506 for 600,000 h.-p.; at the same time, that of F. L. Stuart and H. S. Kerbaugh, prepared in 1920, was submitted, and gave an estimated total cost of $52,271,759 based upon 450,000 h.-p; that of R. S. Lea and R. D. Johnson, of New York, declared the Power Commission's estimates of cost to be "feasible and dependable," and the conception and design to be "simple and effective."

A debate took place on Apr. 25 upon Mr. Raney's Bill to amend the Power Commission Act. Under the existing law Sir Adam Beck of the Hydro Power Commission had the right to draw a salary of $6,000 a year, and his two associates to draw $4,000 each. The Attorney-General's amendment proposed, among other things, to make the salaries of the two Commissioners $6,000 each, and to make the law retroactive. Mr. Howard Ferguson (Cons.) asked why the Chairman was not included in this legislation; it was alleged that he was drawing through the Power Commission—partly from the Province and partly from the Municipalities—a salary of $12,000 and from the Ontario Power Co. (as President since its purchase by the Commission) another $6,000. Mr. Raney stated that they could not get the facts in this matter from either the Company or the Commission. The Bill was passed as to certain details, but the salary clauses were eliminated.

Other Hydro legislation of the Session included a measure providing for aid to rural districts in respect of Hydro-electric power and under which there was to be paid to the municipality or local commission, distributing the power, upon recommendation of the Power Commission and order of the Government, a sum not exceeding 50 per cent. of the capital cost of constructing and erecting in the rural power zone the primary transmission lines and cables required. The Bill also provided for the establishment of a Hydro-Electric Power Extension Fund to which the above amounts were to be credited together with (1) a sum equivalent to the revenue derived from the rentals payable under agreements between the Commissioners of the Queen Victoria Niagara Falls Park and the companies developing power and (2) a sum equivalent to the total amount falling due to the Province from the rentals of water-powers since Jan. 1st, 1918. The Bill was debated at length on Apr. 29. The Conservative leader (Howard Ferguson) described the recent Committee and its Report as ignored, the farmer as "gold-bricked," and the small centres as cut out of consideration; he demanded that Agriculture should get more than what he termed

one per cent. of Hydro-Electric distribution, and declared the whole thing to be absolutely useless to the farmer, who was getting nothing out of a 100-million expenditure.

Mr. Premier Drury replied at length. He argued against the Power bonus proposals of the Committee as adding complexities to the already complex system, as making for patchwork conditions and adding greatly to expenses, and stated that high-priced power in small centres was due to the small local consumption. He added: "The price of electricity depends entirely on the transmitting of it, and the number of horse-power you can get at the end to share the expense. The generation of electricity is uniform. The difference is in the cost of the transmission lines, and if you help the transmission you solve the problem." Hence the building of rural lines (assisted by the Government) would aid the small centres by making them distributing centres and reducing local prices of power as well as farm rates. Then Mr. Drury made this statement: "Frankly, I think the present Hydro-Electric System is faulty through its great complexity. Power at cost sounds well. But power at cost with all the factors that enter into the cost so complex that the average citizen cannot understand, is different. He doesn't know where he is. I believe the municipalities are runing into a time when they cannot see the way out."

W. H. Casselman (U.F.O.), J. G. Lethbridge (U.F.O.), J. W. Widdifield (U.F.O.), John O'Neill (Lib.), T. Marshall (Lib.), and J. R. Cooke (Cons.)—all but Mr. Marshall members of the Committee whose Report was under consideration—strongly opposed the measure. Mr. Cooke's speech attracted special attention, and he urged, with vigour, the appointment of a Minister of Power—claiming that it ought not to conflict with the Power Commission. But he added these words: "I believe that Sir James Whitney, when he advocated the establishment of a Department of Power, looked forward to the day when, under favourable legislation prompted by the advisability of encouraging public ownership, there would be built up in this Province such a huge organization as would seek to dominate this Legislature and drive out of public life any man who would dare oppose its will." He estimated 100 to 200 millions of additional Power expenditure in future and urged caution. All these speakers advocated the $2.00 Rental tax, but they did not actually vote against the measure as finally amended and passed.

Another debate on the 29th, associated with Hydro-Electric matters, evoked an assurance from the Premier to Mr. Hartley Dewart (Toronto *Star* report) that, commencing next year, the annual Public Accounts would set forth Hydro expenditures with the same detail as was required from all Departments of the Government. Other Power legislation included an Act ratifying an agreement between the Power Commission and the City of Guelph and vesting in the Commission all the Assets,

undertakings and property of the Guelph Radial Railway and giving full powers for control and operation of the Railway in the City of Guelph; an Act authorizing the Commission, for the City of Toronto, to purchase the distribution systems of the Toronto and Niagara Power Co., the Toronto Electric Light Co., Ltd., and all tracks, poles, lines and works of the Metropolitan division of the Toronto and York Radial Railway situate upon the highways within the limits of Toronto—giving also power of control to the Toronto Electric Commission and authority to the City to transfer to the Power Commission certain railway assets on the Kingston and Lake Shore roads; still another Act authorized the Hydro-Electric Power Commission to purchase from the Toronto Railway Co. the shares, etc., of the Toronto Power Co., Ltd., the Toronto and York Radial Railway Co., the Schomberg and Aurora Railway Co., the Toronto and Scarborough Electric Railway and the Metropolitan Railway Co.

The Hydro-Electric Railway Commission of Enquiry. The question of constructing a series of Electric Railways connecting the greater cities and centres of the Province with the rural districts and the Niagara System, had long been an ambition of Sir Adam Beck's only second to his Hydro-Electric Power plans though, of course, subsidiary to them. Investigations had been made by the Power Commission in 1919-20 and money spent on preliminaries; Bonds issued for $11,360,363, *re* the Port Credit to St. Catharines line, had been guaranteed by the Government as well as those of an Essex Border line. The Hearst Government was not opposed to the general project; the Drury Government wanted to know all about it with a tendency to regard the policy as financially dangerous. By 1921 the project included about 325 miles of line and of this 50 per cent. was already constructed; beyond this was an indefinite and possibly costly extension of the scheme. Appointed on July 21, 1920, the Hydro-Electric Railway Commission—popularly known as the Sutherland or Radial Commission—was composed of Hon. R. F. Sutherland of the Ontario Supreme Court, Brig.-Gen. C. H. Mitchell, C.B., C.M.G., D.S.O., C.E., Fred Bancroft, William A. Amos and A. F. McCallum, C.E.

Its instructions were "to enquire and report upon the whole question of Hydro-Electric Railways, and all matters which, in the opinion of the Commissioners, are relevant thereto; (2) to make such suggestions and recommendations in connection with, or arising out of any of the subjects thus indicated, as in the opinion of the Commission may be desirable." Other subjects were specified for consideration and were duly dealt with. An immense amount of material and information and varied evidence were collected during the 12 Sessions held up to July 30, 1921, when the Report, signed by four of the Commissioners was submitted to the Government with a Minority Report signed by Mr. Bancroft. The Commission had begun taking evidence in September, 1920, after personally going over the ground where

Radials were projected, over the lines which the Power Commission proposed to purchase on behalf of the municipalities and over Railway lines in the United States which were considered as being comparable in certain respects.

The list of witnesses was lengthy and representative. The official and engineering, financial and expert members of the Hydro-Electric Power Commission's staff were heard; a large number of Mayors and representatives of Municipalities testified as to experiences, conditions, costs and expectations; business men and manufacturers, representatives of the U. F. O. and the farmers and fruit-growers, Provincial Government officials and the heads of popular organizations were heard; much technical testimony was given by Canadian and American experts in railway matters, electricity, radials, engineering, public utilities, scientific conditions and experiences. Robert McKay, K.C., was Counsel for the pro-Radial Municipalities and R. S. Robertson for those opposed to Radials, I. F. Hellmuth, K.C., for the Commission of Investigation and C. C. Robinson for the Power Commission.

Much of the evidence sought and obtained was regarding costs and likelihood, or the reverse, of the proposed Radials being made profitable. Late in June the arguments of Counsel were heard; Mr. Robertson claimed from United States experience and the fact of Railway competition that the Radials in Ontario could never pay; Mr. McKay contended that the lines could be operated without loss and would pay for themselves in 50 years; Mr. Hellmuth declared the whole Radial project to be "unsound, impracticable and unnecessary" and in some respects "near to madness," and denounced, especially, the duplication of lines involved. The Reports, as finally presented, filled a 500-page volume, while the evidence consisted of 27 type-written volumes of 13,376 pages, with an expense to date of $469,754, as stated by Mr. Premier Drury. The findings of the Majority Report were as follows:

1. The financial condition of Electric Railways in Ontario and the United States, in and prior to 1920, has been so precarious and unsatisfactory, and the outlook for improvement so dubious and discouraging, that the construction of the proposed system of Electric Railways should not, in our judgment, be entered upon unless the evidence of competent operating experts fully justifies the conclusion that they will be self-supporting.
2. Upon full consideration of the evidence, and the proper weight to be given to the witnesses, we are of opinion that the proposed Electric Railways would not be self-supporting.
3. We are of opinion that the construction of the proposed Electric Railways, paralleling and competing as they would with the Canadian National Railways, would be unwise and economically unsound, and would strike a serious blow at the success of Government ownership.
4. We are of opinion that until the Chippawa Power scheme, now estimated to cost $60,000,000 or upwards, is completed, and has been in operation for sufficient length of time to be self-supporting, the Province would not be justified in endorsing for the construction of an Electric Railway system at an initial estimated cost of $45,000,000.

5. We are of opinion that the endorsement, by the Province, of bonds of the Hydro-Electric Power Commisssion for systems of Electric Railways in various parts of the Province, at the instance of the Municipalities concerned, is highly dangerous and may lead the Province into great financial difficulties. The endorsement for one locality would give rise to demands for the like accommodation for other localities, which it will be hard for any Government to refuse, and might result in the Province being drawn into serious financial liabilities, and we would therefore suggest that Government endorsement of such bonds should be discontinued.

6. Further, we are of opinion that the expenditure of $25,000,000 on improvement of Public Highways in the Province having been begun, it would be unwise to commence the construction of the Electric Railways in question until the effect in the improvement of these Highways has been ascertained, and the use of them by motor cars and motor trucks (whose competition with Electric Railways has been found so keen and difficult to meet elsewhere) made clearly apparent.

7. We are further of opinion that the rapidly increasing Debts and financial committments of the Dominion, Province and Municipalities have aroused well-founded apprehension in the minds of thoughtful citizens, and are a cogent reason against the embarkation at this time in the construction of the contemplated Electric Railways.

There were a number of subsidiary conclusions or comments: (1) That delay and expense were occasioned by the course pursued by the Power Commission of Ontario, and the Municipal Hydro-Electric Railway Association in connection with the investigation; (2) that the Power Commission made a fundamental error when preparing the (Radial) estimates in not seeking and securing the assistance of experienced operating men; (3) that the development and sale of power was an essential public utility that rightly tended to monopoly and that there had been a good measure of success under the Power Commission in this regard; (4) that it was questionable whether a Radial railway could, under all existing circumstances, be properly called an essential public utility or real necessity; (5) that, on June 15, 1921, the Debt of the Province of Ontario (direct and indirect) was $167,082,414 and the advances of the Province to Hydro-Electric Power at that date were $87,812,501 with $15,437,700 more appropriated by the Legislature and unexpended. Mr. Bancroft's Minority Report was opposed to most of these conclusions, and he recommended:

1. That the Government adopt the principle of publicly-owned and operated Electric Radial Railways for the Province of Ontario.

2. That the Government instruct the Hydro-Electric Power Commission to proceed at once with negotiations to complete binding contracts or agreements.

3. That upon the completion of such agreements or contracts or the choice of alternate plans the Power Commission shall at once place before the Government the result.

4. That, following the action indicated above, the Government shall request the Power Commission to recommend the most advantageous and economical time to commence construction of Radial Railways.

5. That the Power Commission should have as a member one of the best and most experienced Railway men, in operation and traffic, who can be found.

6. That the scheme of Radial Railways outlined before the Royal Commission, amplified and improved by experts, will be of immense benefit to the territory involved and the Province as a whole, and there is every reason to believe will be self-supporting.

The comment of the public was varied, and the Toronto *Globe* declared (Aug. 6) that "the municipalities will carry out the project on their own responsibility, unless the Government resorts to obstruction," while the *Farmers' Sun* (Aug. 13) claimed that Sir Adam Beck's estimate for the cost of Radials was $52,000,000, and if the Chippawa precedent was followed the total would be $250,000,000. It declared that: "The Radial project must be abandoned by the Government; if municipalities want to build Radials, or if private capital will undertake the project, there would be no one to complain, but in neither case can the Government be asked to guarantee the bonds." The press in the cities, towns and smaller centres divided somewhat, as preceding views, in favour of or against Hydro-Power, would indicate, and amongst those favouring the Report and the holding-up of Radial construction were the Hamilton *Herald*, Orillia *News-Letter*, Orillia *Packet*, New Liskeard *Speaker*, Fergus *News-Record*, Dunnville *Gazette*, Aylmer *Express*, Sterling *News-Argus*, Chesley *Enterprise*, Pembroke *Standard*, Barrie *Examiner*, Picton *Gazette*, London *Echo*, Ottawa *Journal*, Collingwood *Bulletin*, Forest *Free Press*. Action endorsing the Majority Report and opposing Radials was taken in several directions, and included Resolutions by the Oshawa Board of Trade and the Welland City Council.

The other side of the subject may be briefly stated. The Executive of the Ontario Hydro Radial Association held a special meeting in Toronto (Aug. 18), denounced the Majority Report, expressed assurance that the project would go on and decided to hold a series of meetings in its behalf; the Toronto *Globe* (Aug. 20) declared that the proposed Radial lines traversed one of the most densely populated and most intense manufacturing sections of Canada, and that tributary to it there resided practically one-seventh of the entire population of the Dominion, with a Steam Railway mileage of only 500; the Toronto *Telegram* (Aug. 22) stated that in Mr. Drury's own riding of Halton the estimate of the farmers was that their combined properties would have an enhanced valuation of $5,250,000 if the Toronto-Niagara Radial were built.

On Aug. 23, at Glencoe, Mr. Premier Drury, definitely stated his policy as follows: "In view of various new circumstances, the great obligations of the country for Hydro-Electric development in a score of places, the Government must stand firm and refuse to guarantee new bonds for further Hydro-Radial enterprises." At other places addressed by Mr. Drury he repeated this statement, and carried his audiences with him. Elsewhere, Hydro-radial meetings were being held and Resolutions passed of a reverse nature. In Toronto, on Sept. 7, the Hydro-Radial

Association met and was addressed by Sir Adam Beck. He reviewed at length the various steps taken in respect to the Toronto-Bowmanville, Toronto-Port Credit and St. Catharines, and Hamilton-Galt-Elmira lines. As to the Royal Commission, he had not yet seen a copy of the Report and would say little about it. A Resolution was passed condemning the Commission, declaring that three of its members had interests which made them oppose public ownership, pointing out that Mr. Amos was a member of the U. F. O., and describing the Enquiry as merely an excuse for the Government to change its policy. Renewed confidence was expressed in Sir Adam Beck; the latter spoke at Oakville on Sept. 16, and declared the Toronto-St. Catharines' line must be built and that the Government could not withdraw its Bond guarantee in that respect without dishonour; on Dec. 1st, 17 Niagara District municipalities met at St. Catharines, and decided to submit a By-law at the coming municipal elections on the question of taking over the Niagara-St. Catharines and Toronto lines, at a cost of $4,663,830, to be met by Municipally-guaranteed bonds.

To this By-law proposal and a similar one in Toronto the Premier refused his assent in a letter to Sir Adam Beck, dated Dec. 17, on the ground that the By-laws changed the form of Agreement between the Commission and Municipalities and authorized the Power Commission to hypothecate the bonds of the municipalities to raise money, which would be illegal; at St. Catharines, on the 20th, Sir Adam told 2,000 citizens as to this matter that "you have a right to build at any time, any time you see fit, without the advice or permission of any Government, or of any Commission appointed by any Government." The Radial issue was a distinct one in the North Oxford Bye-election, and it resulted in the choice of the Drury candidate. On Dec. 22 the Toronto *Globe* declared that the Premier in the By-laws decision was raising the whole question of local self-government, and claimed that Mr. Drury had repeatedly stated that the Government would place no obstacles in the way of municipalities desiring to provide Radial railways at their own financial risk and claimed that specific permission had been given in October for the submission of By-laws, regarding the Toronto Suburban and Niagara Central purchase proposals, to the municipalities interested under terms of the Hydro-Radial Act of 1914.

G. G. Halcrow, Labour leader in the House, broke away from his party on this point, and on Dec. 21 denounced the Premier and the Government for "breaking pledges to the Municipalities"; Mr. Drury, on Dec. 21, stated that legislation authorizing groups of municipalities to build, acquire and operate electric lines under conditions carefully defined, would be presented at the next Session. If it was the wish of the Municipalities, the Government "might permit" the Power Commission to operate such lines. Representatives of the 17 Niagara Municipalities interested in this Radial matter met on Dec. 22 and

decided to take the vote of the electors with or without Government permission; Sir Adam Beck at the same time issued a statement that the Premier had, at a conference of the Commission and the Cabinet, on Oct. 12, assured the Commission that these By-laws would be allowed to go to a vote. He argued that the clauses in the By-law agreements, to which the Government objected, were not material, and stated that: "I at once took up the question of guarantee with the Dominion Government and secured their consent to the principle of the disposal of the roads upon a Hydro bond guaranteed by the debentures of the various municipalities."

To this Mr. Drury responded, on the 23rd, with a denial of any such pledge, or any recollection of discussing Radials on Oct. 12; he renewed his objection to the changes in the form of the Agreements. F. A. Gaby, Chief Engineer of the Commission, asserted, in reply, that the assurances in question were given on Oct. 13 at an afternoon conference. Mr. Raney, Attorney-General, followed with a statement that these Radial By-laws exceeded the powers granted under the Hydro-Electric Railway Act, and that the Agreements included in them were not the same as were accepted in June, 1920, as forms for submission to the people. The Election based upon this municipal vote was hotly contested with the principle of Public ownership and operation, as well as the future of Radials, declared to be at stake. In Toronto, on Dec. 29, Sir Adam Beck said: "Do you want Radials or don't you? If you want radials vote for the Toronto Suburban By-law; that is all I ask you to do. The four Railways we take over will pay. They cannot pay without terminals. We must have them." The voting took place just after the close of the year, included the Toronto Suburban Railway, the Radial Railway to Bowmanville, the Niagara-St. Catharines and Toronto Railway, and resulted in majorities everywhere for the Beck policy—except in one Niagara municipality.

The Chippawa-Queenston Power Canal. This great project became a fact in 1921 and, like the Provincial Hydro-Electric System, in general, owed its initiation and completion to the energy of Sir Adam Beck, the work of his Power Commission and the co-operation of the Niagara Municipalities under the Ontario Niagara Development Act. It had cost much, much was promised from its operation, much was expected by the people of Ontario. During the year many difficulties developed—high costs of labour and threatened strikes, delays in construction and increasing costs, strained relations between the Beck Commission and the Drury Government, the fact of enormous advances being necessary to carry on and complete the project. It was pointed out, however, that there were continuous shortages of horse-power in Ontario despite the 91,000 h.-p. already developed; that tens of thousands of horse-power were being borrowed in the United States; that the farmers and industries, alike, were demanding more power; that the wastefulness of

using coal for power and the economic loss of sending millions of money to the United States to obtain it were apparent.

The project had been initiated in 1913 to meet an expected shortage of power in 1920; the legislation, however, was not passed until 1917, and Sir Adam Beck contended that had the Canal been commenced earlier and completed sooner many millions would have been saved; the work involved construction of a Canal to convey water from the upper Niagara River to a point near Queenston, where the largest power plant in the world was being built; the final construction permitted of using the full available head of water, between Lake Erie and Lake Ontario, which was more than twice the available head of the other power plants at the Falls; the length of the Canal was 12¾ miles, the total excavation of earth was 11 million cubic yards and in rock 4 millions; the net head of water utilized would be 305 feet and the capacity of the Canal from 15,000 to 18,000 cubic feet per second; the Power-house was to contain the largest turbines and generators in the world—each of the former of 55,000 h.-p. capacity coupled to an electric generator of equivalent size—with five on order and two being installed.

In May 7,000 men were at work rushing the Canal to completion before, it was hoped, the end of the year; its cost was added to by such matters as 80 miles of standard gauge railway built to assist in construction, while $5,000,000 or more was invested in construction equipment alone, with concrete work requiring the use of 25,000 barrels of cement a day, and nearly 6,000 barrels required daily during the two summer months. Construction went steadily and swiftly on and, meanwhile, the public estimates of the cost of the project, when completed, were steadily increasing. Mr. Premier Drury, in Toronto on Nov. 11, pointed out that in 1915 the scheme was launched to develop 100,000 horse-power and to cost $10,500,000; in 1918 to develop the first five units and make provision for 275,000 h.-p. the cost was to be over $25,000,000; in 1919 the scheme, fully grown and to develop 500,000 h.-p., was to cost $40,000,000. Last spring they were assured, finally, that to develop five units and to make water preparations for developing the rest of the units the total cost would be $55,000,000. Lately the Government had found that another $10,000,000 would be required. Hence the hesitation over the Radial policy and its final abandonment by the Government. On Nov. 28 the *Globe* put the final cost at $82,000,000, and even then believed it would pay: "Assuming this ultimate capital cost for the complete installation of 650,000 h.-p., and with one 75,000 h.-p. unit in reserve, the capital cost per h.-p. continually available would be slightly more than $140, and the annual interest charge at 6 per cent. $8.40 per year." Coal horse-power was estimated by this journal at $30.00 per h.-p. and Chippawa power at $16.50. On Dec. 22, at Belmont, Sir Adam Beck dealt with the subject and the Government's natural objections and fear as to the cost:

Let me tell you that the revenue we will receive from the sale of power from the first five units installed will be sufficient, with a lead of 200,000 horse-power in December, 1922, to cover the capital charges on the whole work, and the price we will have to charge for the power will not increase the cost of power to the consumers of the city of London. x x x I am not able to believe that it is true when I read in the papers that the Government is considering attempting to take over this project under a Minister of Power. There is such a thing as vested rights, there is such a thing as law in this country, and there are things that cannot be done. We have at Chippawa the greatest and most economical power development in the world. It will cost $80,000,000, but I can tell you now that not one dollar has been mis-spent or stolen. The Prime Minister says the scheme was started too late or too early. I beseeched the Government to let us go ahead in 1915. Too late—it was two years too late—and it cost you $40,000,000 more than it would have, had the Government let us get started in 1915, to finish in 1918.

On Dec. 29, 1,000 visitors and men of eminence in electrical and engineering matters from all over the continent, attended the opening of the immense Power-house, the turbine of 55,000 h.-p., and the first turn in the wheels of the great enterprise. Mr. Drury, as Prime Minister, performed the ceremony and said: "I turn on the power in the hope that it is the beginning of a great Service by the people and for the people of Ontario." He congratulated Sir Adam Beck and declared this an historic day for the Province; admitted differences with Sir Adam, but denied that the Government had considered a Ministry of Power; deprecated autocracy or one-man power in any enterprise. An address and a silver loving-cup were presented to Sir Adam Beck by the Ontario Municipal Electric Association representing all the municipalities distributing Hydro-electrical energy as a public undertaking; Sir Adam, in his reply, stated that "up to to-day the taxpayers have not been called upon to contribute one cent, despite a total outlay by the Hydro Power Commission, on all its projects, of $220,000,000."

The Toronto Radials and the Power Commission. During the whole of the year the "clean-up" of 1920 between the Mackenzie electric interests and the City of Toronto was held up by three-cornered differences between the City, the Power Commission and the Provincial Government. Under the original sale and agreements the Hydro-Electric Commission was to pay for and acquire (a) the Electrical Development plant at the Falls, and (b) the Toronto-Niagara long-distance transmission line, while Toronto was to pay for and acquire (1) the Mimico and Scarborough radials except the Mimico and Scarborough sections within Toronto which the city already owned and (2) the Toronto Electric Light System. Difficulties developed over the desire of the Power Commission to associate these Toronto Radials with the future Hydro Radial system; another complication arose over the dispute between the Power Commission and the Toronto Harbour Board as to the terms upon which the future Hydro Radials could use the water-front.

The Toronto Radials were to be the property of the City, but they were to be acquired by the Commission as Trustees and operated by it in the same capacity. Draft Bills were approved at a conference between the Power Commission and the City Board of Control on Apr. 6 and were presented to the Legislature by the Government and duly passed.* Action, however, depended upon agreements as to details, and these agreements were under constant discussion during the year. On July 8 Mr. Premier Drury stated that he had asked the Mayor of Toronto for a definite statement as to the situation, and had been referred by him to Sir Adam Beck; that under the law it was the duty of the Hydro Power Commission to report upon the proposed purchase of the Power plants to the Government and to submit its recommendation, but that none had been received.

Sir Adam Beck, on July 15, stated that the matter depended on the Government accepting certain guarantees totalling $13,000,000 and upon the Toronto Railway Co. settling claims of the York County authorities and in respect to the Victoria Park Commission for water rentals. On Dec. 31 a final agreement between the City and the Provincial Power Commission, as to the terms under which the City would purchase such part of the Toronto and Niagara Power distribution system as lay within the City limits, and the Metropolitan division of the York Radial Co.—within the City—was finally approved by the City Council. On Dec. 12 another difficulty was removed when the Hydro Power Commission withdrew its request to the Harbour Commissioners for a free Radial right-of-way; questions of radial entrances and the construction of a central subway and terminal were left over for the new City Council.

Power incidents of the year included the annual Report of the Ontario Power Co. of Niagara Falls, owned and operated by the Hydro Power Commission and showing (Oct. 31, 1921) Assets of $31,181,140, Stock, bonds, and debentures of $22,024,-845 and an Operating surplus balance of $724,770; the statement by Sir Adam Beck, at London on May 7, that the Commission was operating 21 different developments, and that all had been bought from private companies for the municipalities; the fact that New York State decided not to follow Ontario's example and, during 1921, by the Gibbs-Adler bill established a system of private ownership for Hydro-electric enterprises under State supervision; the statement of Sir Adam Beck to the Toronto Board of Trade, on June 24, that until the Chippawa Canal was completed the Power Commission would lease unused power developed in the United States plants, and then, after the Canal had been put into operation, the Commission would rent to New York State a certain proportion of the horse-power developed at the new site—with lower costs of production as the reason for this condition; the efforts of Detroit City to obtain from the Hydro Power Commission a 10-year agreement for the supply of

*Note.—See Sub-Section as to Power legislation—Page 615.

horse-power running from 25,000 to 60,000 in amount—and failure because $36.00 per h.-p. was deemed too much; the statement of the Barnes-Locke Report, prepared by officials of the Hydro Power Commission, that Electricity prices paid by consumers of private power in 80 Canadian and American towns ranged from 22 per cent. to 526 per cent. higher than those paid by Hydro consumers in an equal number of Ontario towns.

Ontario Legislation in 1921; Lake of the Woods Question and the Timber Investigation.

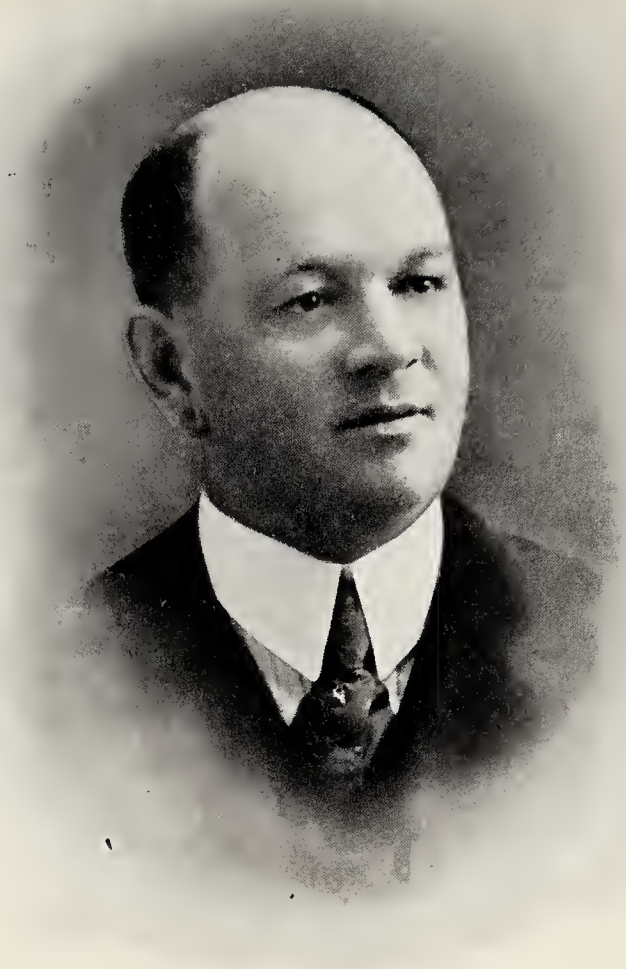
The 2nd Session of the 15th Legislature of Ontario and the second, also, of Mr. Drury's Administration, was a more contentious one than that of 1920; the two Opposition parties, though not uniting in any organized voting strength, combined in a great deal of criticism and opposition to Government measures. The opening took place on Jan. 25th with due ceremony and amid the usual booming of guns and fashionable gathering; the Lieut.-Governor, L. H. Clarke, delivered an Address from the Throne of considerable length. In it His Honour spoke of the tranquility of the Province, the stability of its institutions and the bountiful harvest of the past year; referred to industrial conditions and reconstruction, and promised Government relief for the unemployed; stated that the Agricultural industry had suffered materially from the rapid deflation in farm products, and urged "a better understanding and a more general co-operation between the rural and urban populations as leading to beneficial results and tending towards reduction of the cost of distribution"; declared that one of the most practical ways of improving the conditions of rural life was by means of "a judiciously designed Good Roads system," and that much progress had been made in the Government plans for highway improvement; pointed out that scarcely less important to the general welfare was the distribution of Electrical energy in the rural districts, on terms more nearly approaching an equality with those on which the urban population was served—in this connection a Legislative Committee would report its findings.

His Honour proceeded to speak of the Minister of Agriculture and his policy as to immigration and the Cattle Embargo; the Government's increasing attention to the question of Education, with a view to increasing the efficiency of rural and urban primary schools, and of the Secondary schools of the Province; its appointment of a Committee along these lines and opening of the Monteith High School in New Ontario with special courses and a new policy; the successful operation of the Minimum Wage Board and the Government's desire for harmony and progress in industrial relations; the success of the recent financial Loan and the fact of buoyant revenues; the progress of the Queenston-Chippawa Power project and purchase by the Hydro Power Commission of the Electrical Development Company Plant; the fact that the administration of the Ontario Temper-



THE HON. FRANK CAMPBELL BIGGS, M.L.A.
Minister of Public Works and Highways for Ontario.

Photograph by Mr. Lyonde, Toronto



THE HON. PETER SMITH, M.L.A.
Provincial Treasurer of Ontario 1920-21.

nce Act had been impaired by the traffic in intoxicating liquors, both to and from the Province, and the coming Referendum with romised legislation to make enforcement more efficient. Reorts of various Committees were promised with legislation of varied nature.

The Address in reply was moved by W. J. Johnson, U. F. O. member for Lanark, and Karl Homuth, Labour member for outh Waterloo; many speeches followed, and the debate closed n Feb. 11 without a division. On Jan. 27, Hartley Dewart, .c., the Liberal leader, attacked the Government with vigour. He reiterated the Liberal demand that the Nickel companies be ompelled to pay back taxes which, he claimed, were still due he Province; he criticized the Civil Service Commissioner and declared that the post should have been filled by a business man of long experience and practical knowledge; he dealt with the rime Minister's "broadening out" policy, reviewing its history nd development, and described it as a plan for recruiting from he ranks of the older Parties. Mr. Dewart stated that in the st Elections the Liberal party had shown the broadness of its olicy by refraining from nominating candidates in 39 constituncies, and had thus enabled the United Farmers to return with he largest following: "We tilled the ground, we sowed the seed, but we have to admit that some of the harvest hands came n and took a larger share of the crop than those who had sown he grain."

G. Howard Ferguson, K.C., the Conservative leader, followd and, as to farmers' grievances, stated that 60 per cent. of an crease of $350,000,000 in Bank Savings during four years was ue to the savings of farmers while "in five years there have ot been half a dozen chattel mortgages registered against farms n my County and the Registrar for the County of Leeds tells me e enters up 20 discharges for every mortgage registered." He en reviewed the various items of Government policy and Proncial progress, and claimed the late Conservative Government be responsible for all that was best in current development. e sounded a note of caution in referring to Mr. Biggs' Highay policy. The Province was now committed to expenditure n some 55,000 miles of highway. Of Provincial highways alone here would probably be 2,000 miles and an estimate of mainenance would show an annual charge of $1,500,000: "While we are desirous of supporting a policy of road improvement, it should be remembered there is a limit to the price we can pay. When we come to examine the whole situation we find there has been lavish expenditure with $6,500,000 already spent on Provincial highways; will somebody tell me where we have a reasonably good Highway outside of five miles west of Hamilton?" Mr. Ferguson added that the late Government had drafted the Mothers' Allowance Bill and that all the Drury Government had to do was to put it into effect; so with the initiation of the Minimum Wage Board. He spoke of the lack of sympathy in Government circles for the Hydro Power plans and vigorous-

ly condemned the proposal that Hydro Power be put under a Minister: "The men who were going to do away entirely with patronage are now proposing to do away with the one really non-partisan organization, which for years has been operating with business-like efficiency."

Mr. Drury's reply was argumentative and declaratory of policy along various lines; its terms have been dealt with under specific headings of Government action; many of the important debates of the Session have, also, been reviewed elsewhere. The administration of the Mothers' Allowance Act was discussed on Mch. 1st; the London City Gas legislation and allegations as to bribery made by H. B. Ashplant of that city and by Andrew Hicks, were debated on Mch. 8; the first division of the Session was on a Bill of K. K. Homuth which proposed to limit Municipal property electors to one vote, which was defeated by 34 to 13 votes; on Apr. 21 Andrew Hicks, U. F. O., admitted that he was misinformed when he referred, in June 1920, to "appalling bribery" in the Legislature. There was much discussion of the Bill presented by Charles McCrea (Con.) which proposed to place in the hands of the Ontario Railway and Municipal Board power to increase Street Railway rates where an agreement could not be reached by the Company and the Municipal Council under specified conditions.

The Toronto *Globe* (Apr. 20) termed it "a vicious Bill," and declared that the powers involved in it would enable the Railway Board to nullify agreements duly entered into by municipalities and the holders of franchises. Deputations appeared before the Railway Committee on Apr. 28 and Sir Adam Beck, in particular, expressed strenuous opposition; representatives were present from Toronto, Hamilton, Guelph, Peterborough and other municipalities. The Electric Railways wanted the Bill and Mr. McCrea offered to greatly modify it, but, finally, by a vote of 20 to 16, the Committee killed the measure. Another incident was the refusal of R. W. E. Burnaby, President of the U. F. O., to disclose to the Committee on Privileges and Elections the name of the individual who had called on him in his office some months before and offered him $1,000 a year if he would assist in getting the applicant the post of Purchasing Agent for the Ontario Government; on Apr. 29 the Committee refused to sustain its Chairman's ruling or to compel Mr. Burnaby to give the name; there was a long debate in the House on the matter, and the motion of H. H. Dewart that Mr. Burnaby be summoned before the Bar of the House was rejected by 32 to 26 votes.

The Timber Enquiry and the Legislature. Mr. Howard Ferguson, the Conservative leader, was greatly concerned in the Timber License Enquiry conducted by Hon. W. R. Riddell and Hon. F. R. Latchford, of the Ontario High Court, during 1920 and 1921. He had been Minister of Lands and Forests in the period under investigation, and it was inevitable that Mr.

Drury, as U. F. O. leader, and Mr. Dewart for the Liberals, should make the most of the conditions indicated. Three Interim Reports had been issued in 1920: (1) as to the operations of W. H. Russell of Port Arthur and his Companies, which were said to have included the taking of large quantities of pulpwood (79,350 cords) without license in 1913-19, and, also, serious trespasses upon Government lands; (2) the finding that in 1911-19 the Shevlin-Clarke Co., Ltd., of Fort Frances, had an output from their mills of 649,946,017 feet of timber and had only returned to the Government and purchased 294,181,714 feet, and that proceedings should be taken to recover the difference; (3) the fact that G. E. Farlinger of Sioux Lookout, Ont., had a mill output of 5,168,434 feet, that he returned and paid for 2,185,802 feet, that the allowance for over-run of small logs under the Doyle Rule was 1,092,901 feet, that Mr. Farlinger had been innocent of any knowledge of wrong-doing and had sent to the Government a cheque for $13,030 which was the amount due. Proceedings were recommended in the first two cases and were taken in 1921.

There were many incidents during the 1921 Enquiry. On Jan. 18 Shirley Denison, K.C., Investigating Counsel, informed the Commission that a grant of 5,500 square miles of pulp limits to the Spanish River Pulp and Paper Co. had been arranged for in September, 1919, just before the Provincial election; that the Company were now trying to get confirmation of this grant from the present Government, and that later evidence showed that upon the security of this grant the Company had obtained Bank advances for extension of mills, etc., totalling $3,500,000; a letter from Hon. Mr. Ferguson (Sept. 25, 1919) given in evidence which declared that he had "reached the conclusion that it is in the public interest that you should be assured of an additional supply of wood, and I have indicated to the Deputy Minister that the area discussed at our recent interview, and outlined on the map at that time, shall, in the meantime, be held in reserve until we have a full opportunity of delimiting exactly the territory that will be set aside for your purposes"; the evidence of Percy B. Wilson, Vice-President of the Spanish River concern (Feb. 1st) with an emphatic denial that the Company had ever given any Party subscription in this connection; the issue on Feb. 14 of a writ against the Commission asking for a declaration that the Commissioners were acting in this case without lawful authority, that they were endeavouring to investigate matters relating to the business and affairs of the Company without jurisdiction, that the summonses issued by the Commission and dated Feb. 4, 1921, were beyond its powers and should be set aside.

Following this the Legislature passed, with the Royal Assent, on Apr. 8, an Act which amended the Public Enquiries Act so as to prevent interference, by injunctions or Court actions, with any Royal Commission of this nature and, on Apr. 25, proceedings were resumed, with testimony by Albert Grigg, Deputy Minister of Lands and Forests, that arrears frequently accumu-

lated in the payments due by lessees or License holders with interest charged by the Department—such arrears in the Spanish River case running from $77,210 in 1913 to $95,720 in 1920. Carl C. Hele, formerly Secretary to Mr. Ferguson, when Minister, testified (May 11) that he still had in his possession memoranda, files and letters of Mr. Ferguson's, but that they were private and not properly the property of the Crown; the Marshay Lumber Co., the Union Lumber Co., an associated concern, the Lambert Co. of Welland, the Abitibi Lumber Co., were all investigated for alleged shortages in timber reports; James McCreary, a lumberman, testified on Oct. 12 that he had received $1,000 from W. Cochrane of Sudbury to withdraw a tender in favour of the Spanish River Co., which was the next lowest, and in turn Cochrane had received from the Company $1,000 worth of logs instead of cash.

There was nothing very startling in all this but there were, running through the evidence and the Enquiry, things which reflected upon the Department of Lands and Forests and produced an impression that it had not been altogether well managed, with poor book-keeping systems and inefficiency in certain other directions; with, also, an outside system of scalers and reports under which there were fraudulent returns and abuse of license powers. Evidence, on Feb. 12, showed that during the years 1909-1910, there were cut 13,300,727 pieces of timber, which totalled 573,746,453 feet, an average scale of 43 feet, and that from that time on the sale gradually declined, until in 1919 it had fallen to 35 feet average. Mr. Howard Ferguson, K.C., was present as a Counsel through most of the Sessions, and he frequently interjected protests against points of investigation or action. He charged, especially, that the Enquiry was partisan in character, that the Crown Counsel was a prosecutor rather than the agent of an impartial investigation; that the period enquired into was that of his administration and not of his Liberal predcesssors who had established the existing system, that the official instruction to the Commissioners was practically a blanket one covering any period they might select.

There were various discussions of the subject in the Legislature. On Feb. 23 Dr. Forbes Godfrey (Cons.) told the House that the Timber Enquiry was a deliberate attempt by politicians behind the Government to discredit the man whose force and ability made him more feared than any other; Mr. Raney protested against what he termed an attack on the Judiciary, and the matter dropped with Dr. Godfrey claiming that they—Messrs. Riddell and Latchford—were not Judges in this connection but Commissioners, subject to the Legislature. On Mch. 2nd Mr. Raney eulogized the Commission, and declared it a noble thing to go up into the North Country and extract from unwilling employees the truth about dishonest timber dealings: "It is well known that public sentiment in the North has been demoralized and the Ten Commandments almost forgotten, in

this connection, with divulgence of information looked upon as disloyalty." The Hon. Howard Ferguson reiterated his contention as to partisanship: "I say it is a public scandal that the Attorney-General should have asked a member of a former Government, responsible for the shaping of the policy that has been pursued for 50 years, to enquire into the conduct of a succeeding Administration. x x x The Timber probe has developed into a persecution."

Charles McCrea (Cons.) brought up the subject on Mch. 15, and began with a protest against wholesale conclusions as to dishonesty or wrongful action amongst lumbermen because of a few cases; pointed out that the Doyle Rule, as the basis for measuring lumber, and dating from Oct. 18, 1879, was greatly misunderstood, while the amount of over-run allowed for small timber varied widely with no definite decision. He went at length into the evidence of R. T. Harding before the Public Accounts Committee, and pointed out that Mr. Harding had received a retainer from E. J. Callahan, Liberal candidate in Rainy River in the last Election, to gather evidence against the Shevlin-Clarke Company, that Callahan was introduced to Harding by H. H. Dewart, K.C., and that it was Callahan who first suggested a Commission of Enquiry. Mr. Dewart followed and spoke of his conviction that the Department of Lands and Forests was not bringing in sufficient revenue. Two main lines of investigation were, he said, quite clear—that mining leases were being improperly located for the pulpwood upon them, and that some of the larger Companies and lumbermen were deliberately neglecting to make proper and honest returns, and were assisted in this by dishonest cullers and inspectors.

Hon. Mr. Raney defended the Commission and denounced the Conservative Opposition; Mr. Ferguson, he said, had the opportunity of aiding the Commission or taking sides with the "Lumber pirates." J. A. Mathieu, General Manager of the Shevlin-Clarke Co., declared that his Company had not received fair and honest treatment from the Commissioners; that it had been put to trouble and expense and treated with such an entire lack of consideration that it, finally, refused to put in any defence. Mr. Mathieu claimed that his Company had repeatedly asked the Commissioners to conduct a test of over-run in their mills, but this had not been done: "The Shevlin-Clarke Co. has nothing to be ashamed of, nothing to hide. We are content to leave our case to the Courts."

The Public Enquiries Bill raised another debate on Apr. 5 which grew heated and personal at times, with various words withdrawn at the request of the Speaker; the removal of what Mr. Ferguson and C. C. Hele, his Secretary, called "private correspondence" from the Department files, when the change of Government took place, was discussed at length with various insinuations and charges. Nothing was proved, either way. On Apr. 29 Mr. Mathieu again defended his Company; instead

of having made millions of money, as had been represented in the papers, the Shevlin-Clarke Co. had, he stated, made only 9 per cent. on their investments since commencing operations: "The Company does not owe the Province of Ontario one cent, to my knowledge, but the moment it is proven in Court that money is owing, it will be paid to the last cent."

Following the Session of the House, this question was widely discussed by the politicians. Mr. Drury (Wasaga, June 21) declared the Commission the very best that could have been appointed and described Mr. Ferguson as "attempting to malign what was practically a Court of Justice and to impute to it motives other than those which were just." At Beaverton on the 24th (and elsewhere) he spoke of "big timber thieves" with theft of millions involved. On Sept. 26 it was announced that a settlement had been made by the Government with W. H. Russell by which $37,500 was to be paid into Court at once and $17,500 a little later from the sale of certain wood; on Oct. 2nd Mr. Raney stated an arrangement had been made with the Shevlin-Clarke firm as to certain payments alleged to be due under agreement and license; another suit, however, was being pressed asking for a declaration to the effect that the Company had sold the alleged 355,000,000 feet B. M. of lumber on which they had paid no Crown dues or bonuses. The Company, in reply to the statement of claim, asserted (1) that the two Quebec forest reserve berths involved were not sought by them, but had been accepted at the solicitation of the Department of Lands and Forests with a view to conducting slash-burning experiments on behalf of the Government, and (2) that certain sums of money, their property, had been retained by the Government. Action was commenced on Dec. 8 before Mr. Justice Logie.

The Lake of the Woods Question. This matter was important as involving the rights of the Dominion, or otherwise, to control navigable rivers and water-powers which were not international in character. Reference has been made elsewhere to the Dominion side of the issue* and H. M. Mowat, K.C., in Parliament, had maintained that all such water-powers—even those of Niagara Falls—were under Dominion jurisdiction. Mr. Drury declared, on July 21, that "with that doctrine we take direct issue, and I can assure the public that we will find means of combatting any such encroachment on the Legislative authority and the natural resources of this Province." The specific issue was created by the Backus question and the Provincial legislation in this matter, which commenced in 1920, and raised much controversy. It was the old story of monied interests seeing a chance to make some money, a Government seeing an opening for important development of water-powers and timber, and increase in revenue, critics seeing nothing but grants of water-powers and timber with little immediate return to the people.

*Note.—See Pages 363-4 of this volume.

This particular matter was further complicated, however, by Dominion interests and Manitoba rights in the waters flowing out of the Lake of the Woods—with which region the arrangements dealt. E. W. Backus and his associates, who obtained in 1920 from the Province of Ontario certain rights as to water powers and timber in return for promised development by means of mills and electricity, were not interested in the inter-Provincial issues except as they affected their operations. But the financial interests were large, and included power resources and storage dams at the outlet of Namakan Lake and the outlet of Rainy Lake, as well as at that of the Lake of the Woods, with a definite promise from the Ontario Government of a concession covering power development at White Dog Falls on the Winnipeg River—24 miles below Kenora. Mr. Backus held from the Ontario Government and from the Minnesota Legislature areas of pulpwood lands contiguous to the waters in question—the Ontario limits under grant being stated as high as 4,400 square miles. There were, consequently, several sides to the question—those of the various Governments concerned and that of the public in relation to the immense interests represented by Mr. Backus.

As the result of a Conference held in Ottawa on Jan. 21, 1921, at the suggestion of Mr. Meighen, representatives of the three Governments, with their expert advisers present, agreed, apparently, that the best way to provide for the maximum possible use of the great natural facilities of the Winnipeg River drainage basin for power development, would be by means of proper control over the facilities at the outlet of Lake of the Woods and Lac Seul in the Province of Ontario, through a joint Control Board, to consist of 4 engineers, two appointed by the Dominion and 2 by Ontario. Concurrent legislation was said to have been agreed upon. Accordingly a Bill was drafted, with the assistance of the legal and engineering advisers of the Dominion and Ontario Governments, and was, finally, approved at Ottawa. On Mch. 2nd a Bill was, accordingly, introduced in the Legislature of Ontario by Mr. Premier Drury, and another was under consideration by the Dominion Parliament.

Meanwhile, the popular discussion of the matter had grown greatly. It was asserted by the Winnipeg *Free Press* (Apr. 6) that the purpose of Mr. Backus and his allied American corporations in exploiting the water-power and pulp-wood resources of the Lake of the Woods' district, was to build up the Newsprint industry of the Central Western States. During the Newsprint shortage after the War it was claimed that Western Canadian papers had suffered considerably from these interests, and it was said that Mr. Backus at one time had, in this connection, defied the Dominion Government and the Western press. Hence the importance of the concurrent legislation which, it was thought in Winnipeg, would help to protect Canadian general interests as well as the 500,000 h.-p. which was under process of development on the Winnipeg River.

It was, however, claimed by Peter Heenan, M.L.A., of Kenora, that the facts were the other way, and that Mr. Backus, in the days of the Paper Controller, was supplying some eight or ten per cent. of his output to Canadian papers in the West and that, at the request of his fellow manufacturers and the Paper Controller (R. A. Pringle), he took on a large additional number of papers in the Western Provinces despite the fact that his entire output was contracted for in the United States at a higher rate than he could get in Canada. Later, the Canadian Western papers were said to have refused him renewal contracts unless he would continue to take lower prices than he could get in the States. Both at Ottawa and Toronto Mr. Backus opposed this legislation, and he and his Counsel appeared before the Ottawa Government on Mch. 20 and before that of Ontario on the 21st with the question of control over "the dependable flow" of waters in the Winnipeg and English Rivers as the crux of the situation. Mr. Drury stated in the Legislature, just before the conference, that Ontario would insist on being given the deciding voice in the regulation of the Lake of the Woods water levels, and that he did not entirely approve of the legislation introduced, concurrently, in the House of Commons and the Legislature.

On the same day, at Ottawa, Mr. Meighen read correspondence in the House between Mr. Drury and himself, showing that the latter desired delay and further conference between the Govrnments and Mr. Backus, and did not want the legislation rushed through at Ottawa; a further complication was the claim of the people of Kenora district (Ontario) in support of certain Manitoba protests and expressed in a public statement to the Ottawa Government, on Apr. 25, that the Bill was designed to transfer the rights of the Province of Ontario over her water-powers to the Province of Manitoba and, if it became law, the water-powers in the northern part of Ontario would be seriously curtailed and industrial and commercial development severely handicapped. Much discussion followed, with bitter opposition expressed by the Toronto *Telegram* in particular; on Apr. 27 the whole subject was debated in the Legislature with the Premier supporting the Bill but with uncompromising antagonism expressed by H. H. Dewart and Howard Ferguson for the Liberals and Conservatives and by Peter Heenan of Kenora, a Labour supporter of the Government.

Mr. Drury maintained that it was better to have co-operation between the Dominion and the Province than conflict; at the same time he believed that there was danger that the Dominion, under the cloak of navigation regulations, might interfere with Ontario power development. Both the other Leaders objected to the legislation as a surrender of Ontario's powers and Provincial rights to a Control Board, while H. H. Dewart, the Liberal leader, wired Mackenzie King, at Ottawa, (May 25) urging him to oppose and block in every possible way the proposed Federal legislation. The Ontario Premier

withdrew his Bill. On May 28 he wired Mr. Premier Meighen protesting against the passage of another Bill at Ottawa taking over control of navigable rivers. He declared that "any effort to take control of the waters and water-powers of this Province, further than is necessary for the purposes of navigation, will be strongly resisted by our people, and will be considered an unwarranted invasion of the Provincial domain by the Federal authorities." In reply, Mr. Meighen stated that there was a clause suspending the Act whenever the Ontario Legislature passed the Concurrent Bill which had recently been withdrawn at Toronto. The Federal action was approved at Winnipeg and this Bill, as well as the proposed concurrent measure at Ottawa, went through. The Opposition point of view as to the whole matter was succinctly stated by the *Mail and Empire* on May 30: "Mr. Drury cannot make his friend, Mr. Backus, lord of streams and waterways that are subject to Dominion jurisdiction in any particular, or in regard to which another Province has any rights, or to which international agreement applies."

Mr. Drury dealt largely with this issue in his speeches during the summer and, at Port Arthur (July 12), he said that if Ontario bowed to the control of the Lake of the Woods and the English River by the Dominion Government, then there was no reason why Ottawa could not build a dam across the outlook of Lac Seul and thus deprive the Province of power rights on a River that was completely within its boundaries. Not only would Provincial rights be jeopardized in this one case, but its investment of over $100,000,000 in various Hydro enterprises might be endangered. At Kenora, on July 13, the Premier was welcomed by the citizens, with E. W. Backus leading in the reception. Addresses were given by both Mr. Drury and Mr. Backus. The Premier explained the English River limit question; if the Dominion Government did not repeal its second Act taking over the water-powers he would appeal to the Privy Council. Mr. Backus was brief and humorous; delay had been caused in his work by the Dominion Government, but some day Mr. Drury would be invited to perform a ceremony at Kenora he would be proud of. Howard Ferguson at Island Grove, near Toronto, on July 20, denounced the whole policy with vigour:

> The Government gave Backus an absolute monopoly of all the power in the locality. It agreed to put up the English River limit for sale and make it a condition that the manufacturing should be done where Backus had all the water-power. It is true there were three other alleged bids. But the Prime Minister knows that two of the bids came from Backus's own partners, and the third from his Paper broker. x x x Backus got this large tract of the public domain at his own figure. He paid $50,000, and the ordinary Crown dues. Estimates in the Department show that on 3,000 square miles of the English River territory, sold, there are 18,000,000 cords of spruce and poplar pulp-wood, so that, leaving out of consideration altogether the Lake of the Woods property, Backus secured from the Government this vast empire of forest wealth for which he was to pay the people about one-third of a cent per cord

at a time when pulp-wood was selling as high as $6.00 per cord. The Prime Minister tells us of the increase in Crown dues. He takes special credit for raising the dues last year from 40 to 80 cents in spruce, and 20 to 40 cents in other woods. He knows perfectly well it is a practice of the Department that all Royalties or dues from natural resources are fixed for 10-year periods. Last year (1920) was the year of the increase in ordinary course.

These statements Mr. Ferguson repeated at various meetings; on July 30, at Ottawa, Mr. Drury met his critic with an attack, which described the Conservative as throwing up "a smoke screen of tortuous verbosity"! He claimed that the Conservative leader was entirely wrong in his estimate of spruce and pulp-wood; later, an aeroplane survey of the Backus limit on the English River (Toronto *Star* of Sept. 3rd) indicated that over 40 per cent. of the limit was made up of burned-over areas or water with 411 square miles out of 3,060 containing heavy stands of spruce and balsam; 1,258 square miles were covered with mixed timber. The *Telegram*, from its hostile standpoint, estimated out of these figures that there were 20,000,000 cords of pulp-wood on the Limit. Mr. Raney, as Attorney-General, had, meanwhile, (July 26) issued a statement that the Norman Dam, which controlled the English River and Lake of the Woods' water level, was owned by Mr. Backus, and that under the original terms of agreement with Ontario he had made over to the Province the regulation, forever, of this Dam and thus solved one of the chief difficulties in Lake of the Woods control. On Aug. 14 the Dominion Government, under its new powers of control and with the approval of the City of Winnipeg and Government of Manitoba, approved the Backus plans for certain power works at the eastern outlet of the Lake of the Woods. On Dec. 23 regulations providing for the control of the waters of this Lake and their maintenance at certain levels were approved by Ottawa.

Ontario Legislation of the Year. Apart from the Backus, Hydro-power, Educational and other special measures such as the Agricultural Credit Acts which are dealt with in separate parts of this Section, there was a good deal of legislation during the Session. By the date of prorogation on Apr. 30, 262 Bills had been introduced with 99 receiving, finally, the Royal Assent. The Educational measures had, in a general way, aimed to increase the financial support of High Schools; to remedy the conditions of the rural schools adjacent to large cities and towns; to confer power upon County Councils to form County Boards for secondary education. By a measure of Mr. Raney's, provision was made for the legitimation of illigitimate children in the case of their parents afterwards marrying, while another Bill provided for the maintenance of illigitimate children by the father; another Act compelled all persons authorized to perform marriages to be registered; a Bill carried by Joseph MacNamara made the maintenance of indigent parents by their child or children compulsory. Hon. W. R. Rollo carried his measure

to establish Employment Service Councils, but many of his amendments to the Workmen's Compensation Act had to be dropped at the wind-up of the Session; his Mechanics' and Wage-Earners' Lien Act, an important revision and simplification of the law, was referred to a Special Committee for future enactment; Hon. H. C. Nixon's Bill amending the Marriage Act so as to put the issuing of marriage licenses in the hands of municipal officers was passed; Hon. Harry Mills' measure to deal with the Natural Gas problem of Western Ontario by taking legislative authority to fix rates when necessary, irrespective of agreements, went through, but the proposal to levy new taxes on the Mining industry was abandoned.

The Mothers' Allowance Act was broadened so that the benefits were extended to deserted wives, to wives whose husbands were permanently disabled, and to foster-mothers with dependent children, and the Board was also authorized to give allowances to children dependent on a mother or a foster-mother who was not strictly eligible under the Act; another measure provided that no child under 16 could work in a factory or shop without a permit, and that no child under 14 could work outside of school hours and that manufacturers must provide seats, whenever possible, for women workers; the Minimum Wage Act was amended so that different awards could be made in different localities for the same employment. Mr. Raney carried an important Bill empowering the Government to place the Police Magistrates of the Province on a salary basis, and to require any Magistrate to devote himself exclusively to the duties of his office. An additional $5,000,000 appropriation was made for Development work in Northern and North-western Ontario, and $5,000,000 was, also, set apart for Highway improvements.

Provision was made that cities, towns and villages must construct the portion of Provincial highways within their limits with power to issue debentures in payment for the work. Amendments to the Municipal Acts were numerous. The income of a person derived from investments was exempted up to $800 so long as the income from all sources did not exceed $1,500; power was given to municipalities to grant aid for the establishment of Air Harbours; all municipalities were given the right to establish restricted districts or zones in which only detached private residences could be erected and to regulate the height, bulk, location and character of buildings which could be erected within any defined area; farm lands could be separated from towns and villages on application of the owners to the Ontario Railway and Municipal Board; a person who was a member of a Commission having the management and control of a municipal Electric or Street Railway was disqualified from membership in a Municipal Council except as Mayor.

The Dairy Standards Act of the late Government, which had never been proclaimed, was amended and amplified by Hon. M. W. Doherty and approved for operation on Jan. 1st. It pro-

vided that cream was to be paid for on its butterfat content and, when purchased for butter-making, was to be graded as first or second quality; that milk bought on its butterfat content should be tested by a Babcock tester and, when supplied to a cheese factory, be paid for on the basis of its fat content *plus* two or on its fat content alone. Mr. Bowman, Minister of Lands and Forests, carried a Reforestation Act which gave the Minister power to "acquire by lease, purchase or otherwise, lands for re-forestation purposes"; authorized the Minister to enter into agreements for the re-foresting of lands held by others and for the re-foresting of Crown Lands sold or leased; permitted arrangement with private owners or municipalities for the creation of private or municipal wood lots or small forest areas in Ontario; authorized him, also, in disposing of Crown timber areas to lumber or pulp companies, to enter into agreements for the re-foresting of lands in Nortern Ontario as these were cut over. A preliminary appropriation of $165,000 was made for giving effect to the measure.

Other measures included an Act alloting certain new duties to the King's Printer (Major Clarkson James) including that of Accountant to the Legislative Assembly, purchaser of supplies for the Government Departments when directed by Order-in-Council, and Inspector of Supplies bought under contract, etc.; authorizing the Government to borrow $20,000,000 for the Public service and Public Debt; making regulations and imposing a License upon Billiard and pool-rooms and bowling alleys; amending the Highway Improvement Act, to place $7,000,000 to the credit of an Improvement Fund, and authorizing payment of 40 per cent. of local expenditure upon a County road or 60 per cent. upon a County Provincial road. The Loan and Trusts Corporation Act was amended to make it clear that Trust Companies could receive deposits under certain specific conditions; the Registrar of Trust and Loan Corporations was instructed to inspect all Head Offices of Loan Corporations once in each year, with a sworn return to be submitted by such Corporations, quarterly, as to the amount of deposits, cash on hand and securities held.

Mr. Raney's Bill as to adoption of children enacted, practically, that the word child or its equivalent should in every case include an adopted child unless the contrary plainly appeared on the face of a document, and gave authority for a Judge to give the surname of the parent to an adopted child. Hon. Mr. Bowman carried a Bill under which the Northern Light Railways Co. was empowered to lay out and construct light railways, to be operated by steam, electricity, or other power, on Manitoulin Island. An Act respecting Vocational Schools provided that, with the approval of the Minister of Education, a High School Board, a Board of Education, or a Continuation School Board of any municipality or school section could provide for duly admitted pupils in the following classes of Vocational Schools:

1. Industrial Schools and Departments.
2. Home-making Schools and Departments.
3. Art Schools and Departments.
4. Technical High Schools and Departments.
5. Agricultural High Schools and Departments.
6. Commercial High Schools and Departments.

Many Acts were variously amended and some important Bills were withdrawn—notably Mr. Rollo's Fair Rents' measure, under which he would have allowed a landlord to increase his rent only 10 per cent. over the amount received on Jan. 1st, 1919, and excluding consideration of structural improvements that may have been made since that date. The members approved an increase of $600 in the Sessional indemnity of $1,400 and it was passed in the Supplementary estimates with no expressed objection—except by Dr. Stevenson, Labour member for London. Much interest and entertainment was taken by the House in certain figures of expense which came out in the Public Accounts Committee as to costs in the furnishing of sleeping-rooms for the Ministers in the Parliament Buildings. Aside from the question of necessity for such apartments some of the items of furniture were criticized by the Opposition as extremely extravagant.

Incidents of the Session included a Resolution (W. J. Bragg, Liberal) urging the appointment of a Special Committee of the House to enquire into and report upon the condition of the fruit and apple interests and business throughout Ontario; all matters relating to the production, packing, storage, transportation, shipping, marketting and export of Ontario fruit and apples; with power to send for and examine all necessary persons and papers. A Report was presented from the Committee appointed in 1920 to consider some permanent record of the appreciation of the House as to Ontario forces fighting for the Empire in the World War. It recommended (1) the collection of a vast mass of data regarding all phases of Overseas Military activity by soldiers, nurses, etc., from Ontario, (2) similar action as to Civil activities within the Province and (3) erection of a Monument or Cenotaph in Toronto or at the Royal Military College, Kingston, with the establishment of a Memorial Hall which would constitute a Museum of the War.

A Resolution moved by the Premier and Hon. Mr. Raney endorsed an appeal from the Veteran organizations asking the Dominion Government, in view of current unemployment and unrest, to reinstate the D. S. C. R. relief measures; another motion by Hon. Mr. Rollo called for a Conference between the Dominion and Provincial Governments for the purpose of considering the advisability and practicability of legislation covering Unemployment Insurance, Old Age Pensions, Eight-hour day, and other matters affecting labour conditions which were dealt with by the Peace Conference at Versailles. Still another motion by R. A. Fowler and A. W. Gray (Conservatives) was approved unanimously and declared that the Province of Ontario had under

its care the training and education of its youth with the object of developing the highest type of citizenship and the maintenance of British Connection; that despite these facts certain American magazines and newspapers known as "The Hearst Publications" were permitted to circulate in Canada; that as "these publications are anti-British in tone and attidude and subversive of the ideals of Canadian citizenship and our connection with the British Empire, this House believes that they should be excluded from circulation in Canada." Therefore it was decided to memoralize the Government of Canada with a view to preventing the entry of these publications into Canada.

The Standing Committee on Privileges and Elections reported to the Legislature during the Session that, in connection with certain charges as to Bribery of Members made by H. B. Ashplant of London, he had withdrawn them and expressed regret; that in the matter of similar statements made by Andrew Hicks, M.L.A., he had declared himself misinformed and without personal evidence or knowledge; that in the charge made by J. D. Taylor, M.L.A., as to a $1,000 bribe being offered him, it would appear to have been a fact, but that the man who offered it was now in Detroit and that Mr. Taylor had taken no action except to make the offer public; that in the matter of a somewhat similar statement by R. W. E. Burnaby there seemed no reason to doubt that the money had been offered for the use of his influence, but that he would not reveal the name of the man who made the offer. An interesting matter during the Session was the growth of popular respect and regard for the Speaker, Hon. Nelson Parliament. A Liberal and a farmer with only seven years' experience in the House; having three Parties to deal with and at times a somewhat heated feeling; with, also, natural and unavoidable inexperience amongst the Government members, he had handled the situation with skill, dignity, fairness and acceptance to all sides. Illness came to him in March, and on the 23rd various tributes were paid him by the leaders, while Hon. Thomas Crawford, formerly Speaker and a Conservative, was asked to act, temporarily, in the position.

There was only one bye-election during the year and this was in North Oxford, where the vacancy occurred through the death, in July, of J. A. Calder, a Liberal, who was elected in 1919 by 2,313 majority. The election was not called until December, and then the Government put up a strong fight to carry this old-time Liberal riding. W. W. Day was the Liberal candidate, with D. M. Ross, of Embro, for the U. F. O. and Government and H. B. Neely as an Ind. Conservative. A number of Ministers took part in the contest, including the Premier, Hon. M. W. Doherty, Hon. Peter Smith, and Hon. F. C. Biggs, assisted by Miss Agnes MacPhail, M.P. Roy Palmer, Secretary of the Independent Labour Party, also supported Mr. Ross who, incidentally, was a brother of J. C. Ross, Editor of the *Farmers' Sun*. Wellington Hay, the new Liberal leader in the Legislature,

R. L. Brackin, J. C. Tolmie, W. E. N. Sinclair, R. R. Hall and other members spoke for the Liberal. Mr. Day and Mr. Ross were both farmers, Mr. Neely was a lawyer. Hydro Radials were a distinct issue with Public ownership in general, and Mr. Drury, who spoke at Tavistock and Woodstock on Dec. 14, at Kintore on the 15th, at Hanington and Drumbo on the 16th, dealt largely with the subject.

At Woodstock the Premier put the issue as follows: "I believe that this election will be construed as the verdict of the people of Oxford, a representative constituency of Ontario, on the Government's Hydro-radial policy." As to this James Stewart, President of the North Oxford Liberal Association, told the Toronto *Telegram* (Dec. 15) that the Liberals were solidly with Mr. Drury on his anti-Radial stand. Mr. Neely made the Separate School taxes matter an issue, and stated at Woodstock, on the 16th, that "every Roman Catholic in the Riding" was voting for the Drury candidate; as a matter of fact, however, Mr. Neely had no support from his party leaders and no party organization behind him. On Dec. 19 there was a tremendous turn-over of votes and the Drury Government won a marked victory with 4,692 votes for Mr. Ross, 3,384 for the Liberal and 936 for Mr. Neely. The Liberal had a majority in Woodstock, but the rural parts went with a sweep for the U.F.O. candidate.

PROVINCIAL AFFAIRS IN QUEBEC

AND

THE MARITIME PROVINCES

The Taschereau Government in 1921; Politics and Administration.

To the Hon. L. A. Taschereau the political situation in Quebec during 1921 was an obvious compliment; stability of conditions and lack of all serious opposition to the Government, or of discontent with its policy, made admininstration easy; the financial situation, despite certain agricultural difficulties, was better than in any other part of Canada. Cautious and wise in policy, dignified in public as in social life, Liberal in name and tradition and party but conservative in thought and character, Mr. Taschereau represented elements which had made him a natural successor to Sir Lomer Gouin in the Premiership of Quebec. His speeches during this year were not numerous, but they were sufficient to indicate his Government's policy and to maintain its position before the people. His first important Delegation was on Jan. 20, when representative men from Outrément, Versailles and other suburbs of Montreal protested by petition against any annexation by or absorption in the City of Montreal. They wanted autonomy and their summarized view was as follows:

> The independent municipalities, with restricted territory, require little time for administration; they recruit their Councils from qualified ratepayers interested in careful and economic administration; there is a spirit of co-operation and emulation which compels judicious and progressive administration; their financial condition is excellent; loans are moderate, Sinking Funds are collected and invested, and budgets well-balanced. It would be unjust to take away the result of their efforts and economies. Under annexation there will be a distant, slow and expensive administration, and they would lose there present advantages. Local citizens could no longer devote time to attending distant meetings, the standard of representatives would be lowered. The City would not benefit by annexation, its borrowing powers would increase but little, the larger administration would be less efficient, and, as before, annexation would result in additional charges for City ratepayers.

Mr. Taschereau expressed agreement, upon the whole, with these views, but pointed out that a few municipalities were upon the verge of bankruptcy and this could not be allowed; they all must join hands and help the weaker communities. At a Liberal Dinner in Montreal, on Apr. 13th, the Premier defended his Government and its legislation, and declared that the greatest confidence and friendship existed between all the members of his Cabinet. On the 17th the members of both Houses of the Legislature presented him with a handsome piece of sculpture, entitled "Redemption," which pictured a young mother with a babe in her arms. Speaking at a banquet of the Canadian Manufacturers Association at Montreal, on May 12, Mr. Tasche-

reau dealt with matters of trade and industry and stated that his Government was concerned in promoting both farming and manufacturing interests which, he said with emphasis, were inter-dependent; farmers needing manufacturers to provide centres for consumption of agricultural products which only the farmers could supply. He strongly disapproved of a Farmers' party, or of any party representing but one class of the community.

Referring to the U. S. Fordney Bill, then under discussion, he said it would practically close the American market to Canadian farmers, and it would, therefore, be specially necessary for farmers and manufacturers to work in close co-operation for years to come: "We are told this is a Farmers' Province, but I say it must be at the same time a Manufacturers' Province. You manufacturers must maintain centres to be supplied by the farmers who will suffer the more if they do not have those centres." Mr. Taschereau then dealt with the St. Maurice Dam, the largest in the world, a third of a mile long and 90 feet high; enclosing an area so immense that it took nature three years to fill it with water; which could supply more Hydro-electric power than could be used up for many years and might make the Province independent of American coal.

He hoped the surplus power from it would be used for the electrification of Canadian railways between Quebec and Montreal. Reference was made to the peaceful attitude of Labour in the Province and its desire to give a real day's work for the pay it received as due, largely, to the system of Education in force, which included discipline, love of order and respect for law. Much of this was accounted for by the religious aspect of the educational system. Sound municipal government was described as essential to the good credit of both the Province and its industries, and this had been helped by the ancient laws of Quebec dating back, like Scotch laws, to the Romans. Quebec law declared that a man must pay his debts and honour his contracts; in this Province no Moratorium had ever been declared, nor was anyone allowed to repudiate contracts. A rather striking remark was the following: "If the Government considers popular wishes are not for the best interests of the country, it must have the backbone and nerve to uphold its own views."

Mr. Taschereau was in Toronto on June 8 to receive from the University of Toronto the degree of Hon. LL.D. With the Prime Minister of Ontario receiving the same honour, the *bon entente* of the Provinces was further illustrated in the speeches. After stating that 80 per cent. of the population of his Province were French, and that they were proud of it, as he was of his Canadian-French ancestry, he added: "But, I beg you to remember, that real Canadianism, love of the country, loyalty to our institutions, British fair play to all, are as true and vigorous in my own Province as in any others of the Dominion." He eulogized the Roman law which, in the olden days, made the

greatness of Rome and afterwards became the foundation of the civilization and progress of France and now stood to the people as representing French ideals, French traditions, French characteristics, French customs. These laws, however, would not blend with English laws, and there was no use trying to throw them into a melting-pot. He then dealt at length with the objections to, and benefits from, the Appeal to the Imperial Privy Council and summarized his views as follows:

> I believe it is the general desire of my Province that, especially in constitutional cases, the right of appeal should be maintained. The Canadian Confederation is a compromise. Half a century of marvelous progress and development show the wisdom and foresight of the men who framed it. But, when so many conflicts of a racial, religious or ethical nature are liable to arise, have we not all a greater sense of security from the fact that the decisions to be rendered will come from the men who preside over the Privy Council, men remote from our local strifes and disputes, unprejudiced by their surrounding? To express my thought in a few words, I will venture to say that in a country such as ours, which is blessed with minorities, the Privy Council is the protection of those minorities. Solicitude for minorities is British fair-play and constitutional principle.

Speaking at Victoriaville (June 19) Mr. Taschereau made a political speech in answer to Arthur Sauvé, Leader of the Conservative Opposition. He claimed that Quebec finances were in better shape than those of Ontario, that its Provincial loans were placed at a higher price, that Quebec, in 1920, declared a surplus of nearly $1,000,000, and on June 30 would declare one of more than $1,000,000. From the resources of the Province in five years the sum of $30,000,000 had been set aside for good roads; $5,000,000 for colonization, and $3,000,000 for universities; bridge and turnpike dues had been repealed; 600 iron bridges had been constructed, and the greatest Dams or Reservoirs in the world built. Aid to Education had been tripled and aid to Agriculture quadrupled. From the surpluses of the Province $13,000,000 had been paid off the Provincial Debt, which in 1919 stood at $18 *per capita*, against a *per capita* Debt of $42 in Ontario, $61 in British Columbia, $69.99 in Alberta, and $83 in Manitoba. Discussing the question of a Labour or a United Farmers' party in Quebec, the Premier pointed out that more than one-half the present members of the Legislative Assembly were farmers or workmen. In 1905, when Sir Lomer Gouin came into office, there were only two Domestic Science schools in the Province and to-day there were 53; $50,000 had been expended in the creation of a School of Agriculture, while experimental farms had been set up throughout the Province. When the Duke of Devonshire left for England, the Quebec Government tendered His Excellency a farewell Banquet at Quebec, on July 18, and the Prime Minister's speech was explicit as to several important matters. After a reference to the burdens of War and Re-construction, in which the Duke had shared, he went on to give a picture of Quebec conditions:

The Province of Quebec desires it to be known that she yields to none of her sister-Provinces in loyalty towards her Sovereign, in reverence for our political system, in the strongest will to maintain intact the Canadian Confederation. She wants to be a land of liberty, where those of all races and creeds may live side by side in peace, harmony and good will. She has her own traditions, customs, laws—things often no more than trifles yet dear to her—and all these she is ever jealous to preserve. Her inhabitants are peaceful and happy. They are labourious and they cling to the soil. They do not readily embark on schemes of would-be reformers, sometimes called progress but which democracies are beginning to mistrust.

Quebec has wonderful waterfalls and vast forests capable of supplying the markets of the world with pulp and paper. She invites capitalists to knock at her door, they will find inexhaustible natural resources and every opportunity for working them. Again, Quebec with its great universities, its classical colleges, its institutions for higher education, its technical schools, its academies, its convents and primary schools, is not the ignorant and backward province its detractors too often assert. On the contrary, its educational system fashions a generation which can compete successfully in every walk of life with those of the sister-Provinces and will assuredly add their part to the national greatness.

Mr. Taschereau was never tired of describing the position and progress of his Province and, at a Commercial Travellers' banquet in Montreal (Dec. 22), he especially eulogized the large families in Quebec and the Educational system upon which the Province had recently spent thirty millions and increased the number of schools by 500 with a growth in pupils of 100,000 in a five-year period. In those years agricultural production had grown in value by almost 200 millions and money invested in industry by 40 millions. As to the great and growing pulp and paper industry, there were 80,000,000 acres of wood yet uncut, and the Government would always see to it that if, and when, it was cut the pulp from it would be manufactured in the Province. Tolerant Quebec, said the Premier, was proud of its Liquor laws: "We of Quebec are advocates of Temperance, but we are not hypocrites. I predict that the future will show that our laws in respect to liquor will be adopted by other Provinces in the Dominion." Conditions this year assured a Liquor revenue of $4,000,000, which would be used for Education, Good Roads, the lowering of Taxes and the general welfare of the Province.

The Hon. W. G. Mitchell, as Treasurer of the Province during the greater part of 1921, had an easy and agreeable task. For the year ending June 30, 1920, the Ordinary Revenue was $14,472,650 and Expenditure $13,520,740, with a Surplus of $951,910; the estimated Revenue for June 30, 1921, was $11,673,904, Expenditure $11,590,563 and estimated Surplus $83,340; the actual Revenue as shown by his successor* was $15,914,521, the Expenditure $14,624,088 and the Surplus $1,290,433. In his address to the House, on Jan. 27th, Mr. Mitchell dealt with the 1920 figures—except as to Estimates. After reviewing Reconstruction conditions and difficulties, the Treasurer spoke of the foreign competition in business which was beginning to de-

*Note.—Budget Speech of Hon. Jacob Nicol, January, 1922.

velop: "The situation we are faced with is a serious one, and the only way in which we can compete successfully in this trade-war is by co-operation between Capital and Labour. Increased efficiency of our workmen; greater production by our farmers; wider development of our natural resources; the exercise of the greatest economy. I have always maintained that co-operation is essential for the future welfare of our country. It was never more so than at present. Co-operation was needed to defeat the German foe. Co-operation is needed just as badly in the commercial war which is now developing." He declared himself an optimist, however, urged the young men and women to go on the farms or, if there now, to stay on them and stated that his Budget figures for 1920, given above, were the greatest in the history of the Province. The Public Debt of the Province on June 30, 1920, was $48,756,763, with Assets of $12,972,756; the Funded Debt was $40,708,113, with Sinking Funds invested of $2,176,362. The Treasurer dealt with Provincial progress in various directions, based largely upon development of Provincial water-powers and the consequent supply of electrical energy from end to end of Quebec:

A great Reservoir was constructed at La Loutre on the St. Maurice River for the purpose of storing the waters of the watersheds of the north. A lake of some 300 square miles has been formed, with a storage capacity of 160 billion cubic feet, or twice the capacity of the Assouan Dam of Egypt. As a result of this undertaking 1,000,000 permanent Horse-power could be developed on this River and the Falls had, already, doubled their capacity. A Dam was also constructed on the St. Francis River, which has practically doubled the horse-power already developed on that River. The Government has also had under consideration for some time the development of the Ste. Anne de Beaupré River, the Chaudière River, the Harricana River, the Bell River and the Jacques Cartier, Kenogami and St. John Lakes. The cost of these works is paid for by charges made to the users of the power therefrom, a substantial surplus being obtained over and above the cost of maintenance and sinking funds each year, which goes into the Treasury of the Province.

The result was that: "We have seen Three Rivers grow from a country hamlet to a thriving city. We have seen spring up, as if by magic, such thriving towns as La Tuque, Grand Mêre, Shawinigan Falls, and others throughout the Province too many to enumerate." In addition to this primary cause of prosperity was the fact that Capital was safe: "Capital is looked upon as a vested right. This has become known, not only here, but throughout the rest of the Dominion, in the United States and even in Europe, which means that Capital has come and will continue to come here for investment. More, the Manufacturer and Capitalist know that labour conditions are better here than, probably, in any other place in America—there being less Radicalism, less Socialism, no Bolshevism, more contentment, more satisfaction, and, as a result, better relationship between employer and employee."

Some of Mr. Mitchell's statistical comparisons were interesting. The revenue from Lands and Forests had grown, be-

tween 1916 and 1920, from $1,807,259 to $3,033,587; that from Licenses was $1,047,768 in 1916 and $1,554,079 in 1920; Taxes on Commercial Corporations grew from $1,034,564 to $1,581,759 and Duties on Successions from $1,375,803 to $1,781,930; the Motor Vehicle taxes were $247,081 in 1916 and $1,180,725 in 1920; the total Revenue had grown by $4,824,668 and the Dominion Subsidies were stationary at $2,028,162. Expenditures (Ordinary) during the same period grew by $4,084,052 and the items included Public Debt upon which the charges were $1,708,379 in 1916 and $2,029,721 in 1920; administration of Justice which stood at $1,157,907 and $1,365,900 respectively; Public Instruction growing from $1,545,079 to $1,673,561, and Agriculture from $470,861 to $887,400; Roads, upon which $349,000 was spent in 1916 and $1,336,366 in 1920; Civil Government and Legislation which grew from $1,143,987 to $1,372,083 and Colonization from $209,000 to $709,000; Public Works and Buildings stood at $740,789 and $758,205 respectively, while Lunatic Asylums jumped from a cost of $633,625 to $1,017,946 and Lands and Forests from $370,500 to $566,000.

The Special expenditure (Capital) under the Good Roads Act was $3,635,124 in 1916; $4,243,896 in 1917, 1918 and 1919 and $3,413,108 in 1920. During the fiscal year 1920-21 there were three issues of Bonds—$144,000, $5,000,000 and $5,000,000 and the Public Debt grew proportionately. The latter of these 5½% issues included $1,000,000 to the University of Montreal and $1,000,000 to Laval at Quebec. Late in 1921 Mr. Mitchell resigned the Treasurership of the Province after seven year's administration, and was elected to Parliament in the General Elections; his successor at Quebec was Jacob Nicol, K.C., a well-known Barrister of Sherbrooke, who was sworn in on Nov. 23 as Minister of Municipal Affairs as well as Treasurer. His first act of policy was to issue $4,000,000 of 5½% 15-year Bonds at $97.62.

The Report of Hon. Antonin Galipeault, Minister of Public Works and Labour, for the year of June 30, 1921, included reports from various officials and branches as to the construction and maintenance of Government buildings and railways, inspection of industrial establishments and public buildings, the carrying out of the Trades Disputes Act, the building of iron bridges, the working of the Provincial Employment Bureaux, Hotel inspection, etc. The Minister mentioned, especially, the historical painting on the ceiling of the Legislative Chamber by Mr. Huot, the artist, as an object of general admiration and a work of great talent. The completion was announced, under Government subsidy, of the Quebec Central Railway branch from Scott's Junction to Diamond Junction on the Canadian National Railways—19 miles long and of great expected value to the people. Other contracts were given the Interprovincial and James Bay Co. branch of the C. P. R. for the building of the Kipawa Line at the Quinze River *via* Ville-Marie for the service of settlers in

that distant region; the Government, also, was urging forward the construction of a Line north of Lake St. John. The total of all Railway subsidies granted by the Province to date was $11,-381,230, with $2,287,802 lapsed and $582,602 not yet due and total Land subsidies of 13,324,950 acres; the mileage in the Province constructed under these subsidies was 2,468.

The Deputy Minister of Labour (M. Louis Guyon) submitted a Report reviewing matters under his supervision. In Montreal, he stated, there was some unemployment as the result of sea-port conditions, but, on the whole: "It was the leaders of the unemployed last year who gave so much trouble to the authorities and they were dangerous professionals, whose love for labour consisted merely of preferring to see the others work." For the Fiscal year the various Provincial Employment Bureaux of Canada had cost $233,890, but of this sum Quebec only required $14,679. The re-organization of the Labour Department, with permanent Headquarters in Montreal, was announced, and its duties were to include inspection of Industrial establishments and Public buildings with control of the Employment Bureaux for men, girls and women; of the Board for the examination of Engineers and the Bureau in connection with Electricians; of the Councils of Conciliation and Arbitration and the Boiler inspection and carrying out of the Fair Wages Act.

In respect to registration of children working in factories—between 14 and 16 years of age—the total to June 30th exceeded 13,000; M. Guyon stated, however, that "whatever may be done, the fact will always remain that a good number of children, 14 years and younger, will escape all control, because our Inspectors have not always jurisdiction in the places where they are employed." The work of the Provincial Bureaux was reported as dealing with 33,391 unemployed. Of these 12,237 were placed; the vacancies notified by employers were 14,433 and the persons referred to employers were 14,784. Mr. Galipeault, in October, attended the Labour Congress at Geneva as the representative of Quebec.

The Roads policy of Quebec continued its notable progress under Hon. J. A. Tessier, whose Department since 1915 (he became Minister in 1914) had spent $14,774,837* upon Road improvement and construction. In his official Report for 1920 (June 30) Mr. Tessier declared that notwithstanding the financial stringency, the high cost of labour, the scarcity of cars for hauling materials and the increased freight rates, results had been most satisfactory. The French-Canadian farmers had realized the importance and numerous advantages of good roads, they were not discouraged by handicaps and were determined to have better roads at any cost. During the year 452 miles of permanent roads were reported as built, compared with 451 miles in 1919; since 1912 the Province had constructed 3,460

*Note.—Mr. Mitchell's 1921 Budget and inclusive of expenditure under Good Roads Act.

miles of highway in all forms of road-building from concrete to gravel. For Road improvement and construction from July 1st, 1912, to Dec. 15, 1920, the Minister stated the total Government expenditure at $29,497,010.

Under the Dominion Highways' Act of 1919 with its $20,000,000 appropriation for Roads, Quebec had come into a Dominion system of roads, which was to be adjusted and arranged so that the whole should be co-related and form, as far as possible, a National system of interprovincial roads; in this plan the Quebec mileage was 1,432, and included completed first-class highways from Montreal to Rouse's Point, Montreal to Three Rivers and Quebec, and from Lévis to Jackman, Maine. Comprised in the new part of the scheme were roads from Montreal to Hull and Aylmer, and from Montreal through the Laurentians to Mont Laurier; from St. Lambert to Lévis and, thence, to Rimouski with a branch down to Edmonton or from Rivière du Loup connecting at the former with the New Brunswick system; a road from Montreal to Derby Line, Vermont, through Sherbrooke; one from Beauce Junction to St. Hyacinthe, another from Beauceville to Sherbrooke and on to Sorel; roads from Caughnawaga to Malone, Lévis to Richmond and Laprairie to Lacolle. Already many of the Quebec roads were proving very attractive to American tourists—especially the Adirondacks-New York-Montreal-Quebec (King Edward) Highway.

On Sept. 27 Mr. Tessier retired from this position in the Government to become Chairman of the Running Streams Commission; the Hon. Joseph Leonide Perron, K.C., M.L.A., Minister without Portfolio, was appointed Minister of Highways; at the same time Aurele Lacombe, M.L.A. for Montreal-Dorien, and Emile Moreau, M.L.A. for Lake St. John, were sworn in as Ministers without Portfolio; Paul Tourigny was appointed Member of the Legislative Council, Dr. A. Bédard became Inspector of Public Assistance, and Alphonse Metayer, K.C., was appointed Deputy Minister of Public Works in succession to S. Sylvestre, who had held the post for 20 years. At a Good Roads Convention, in Sorel on Nov. 25, attended by 300 representatives of the districts lying South of the St. Lawrence, the new Minister heard an earnest appeal for part construction and part improvements so as to constitute a new Highway along the south bank of the St. Lawrence which would have its terminals in St. Lambert, at the southern end of Victoria Bridge, and Lévis, opposite Quebec; of its 180 miles, about one-half consisted, at this time, of improved road surface, with many stretches of primitive road, and including two Counties in which no improvements whatever had been made. Favourable consideration was promised by Mr. Perron, who, about this time, estimated that, during the summer, United States tourists had spent $35,000,000 in the Province.

The 1921 Report issued by the new Minister, Hon. J. L. Perron, was for the calendar year and dealt with an active

record of operation: "The exceptionally fine season permitted of construction being done more rapidly and, as a consequence, more economically. Cheaper, more abundant, and a better quality of labour equally contributed to reduce the cost price of construction. The diminution in the price of materials also helped a great deal." The total length completed in the year on Municipal Roads was 319 miles, of which 252 miles was in gravel and 49 in macadam; the total still under construction was 97 miles, of which nearly all was in gravel; as to Regional Highways, work was done on 12 roads and 97 miles completed with the Hull-Aylmer and Caughnawaga-Malone roads finished, the Beauce-Sherbrooke Highway carried to East Angus and contracts signed for 20 miles on the Montreal-Sherbrooke Highway; in Provincial Highways the completion of a concrete wall at Batiscan was the only notable effort.

The Hon. Honoré Mercier was Minister of Lands and Forests, and this Department had done much during recent years to forward settlement—especially in the Abitibi, Mistassini and other large Northern areas; Colonization was under control of another Minister, but the progress of great pulp and paper industries and forest development had, of course, greatly assisted the movement. The 1920 Report of Mr. Mercier showed that while the revenue from Lands and Forests during 1896-97 was $853,427, in 1919-20 it was $2,604,450; in 1896-97 the whole revenue of the Crown domain amounted to $879,893, and in 1919-20 it was $3.033.537; in 1881 there were 5 pulp mills in the Province and in 1918 there were 37 of these mills with 26 pulp and paper mills, capitalized at $241,244,704.

The Report of the Minister for June 30, 1921, stated that during the fiscal year 421,261 acres of land had been subdivided into lots and made available for settlement, with a total of 8,-204,329 acres, and that, out of this, 178,626 acres had been granted in the year for agricultural and industrial purposes. Mr. Mercier stated the Department's receipts at $3,567,188, of which $3,035,360 came from rents, bonuses, stumpage dues, etc., in Woods and Forests and $320,261 from the Gouin and other Reservoirs. This Minister submitted the Report of the Quebec Streams Commission, of which for a year he had been Chairman, to the Lieut.-Governor in 1921—the other members at this time were W. I. Bishop, C.E., and Arthur Amos, C.E. The 1920 statement indicated statifactory conditions in the great reservoirs or storage dams of the St. Francois and other waterways, as stated elsewhere in Mr. Mitchell's Budget speech.

During 1921 the Commission continued its examination of the Rivers of the Province to obtain information as to the best situated water-powers and to advise the Government as to the possibility and advantages of erecting further storage reservoirs for regulating the flow of the rivers. The field of operations was extended from certain rivers in Abitibi to the North Shore

and included the St. Maurice, St. Francois, Ste.-Anne (de Beaupré), Ste. Anne (de la Perade), Chaudière, l'Assomption and Jacques Cartier, as well as Lakes des Commissaires, Kenogami and St. John.

Under Mr. Mercier's jurisdiction was the Quebec Geographical Commission, of which J. N. Miller, French Secretary of the Department of Public Instruction, was Chairman and Eugene Rouillard, Secretary. The other members of the Commission—which was appointed in 1920—were Arthur Amos, Avila Bédard, J. Adolphe Bellisle, Théo. Denis, Sergius Dufault, L. P. Geoffrion, J. Emile Girard, G. E. Marquis, Emile D. Normandeau, G. W. Parmalee, G. C. Piché, L. A. Richard, Gustave Rinfret and C. J. Simard. The 1921 Report dealt fully with many of the place names of the Province—creating, rectifying and establishing names throughout Quebec subject to final approval of the Minister. Mr. Mercier had to face, during 1921, a critical condition in the Timber industry, and for some time not only did prices go down, but demands for timber were practically nil. Pulp and paper, which less than a year before commanded exceedingly high prices, suffered the same fate, with factories either obliged to close down, completely, or to considerably reduce their production. Owing to the gloomy prospects the majority of license-holders had about decided to suspend lumbering operations when the Minister and the Government intervened after consultation with those concerned. They decided to reduce the tariff and stumpage dues and thus ensured continuance of cutting and of work for some thousands of people. In the matter of Crown Lands there were 387,716 acres of Public and Clergy lands sold in 1920, 157,682 acres divided into farm lands, 207,977 acres reverted to the Crown and the area of lands, subdivided and still disposable, totalled 6,499,000 acres.

Meantime, settlers were flocking into the North Country, and Hon. J. E. Perrault, K.C., Minister of Colonization, Mines and Fisheries, continued to carry out a policy which Abbé Ivanhoe Caron, official in charge ofthe Quebec Colonization Office, defined as "settlement in communities of not less than 20 families so as to enable each settlement to have its own school and in time its local church and priest"; the value of the co-operation of the Church in giving these settlers confidence and in helping the movement being described as very great. Progress in the Quebec part of the Clay-belt region running, also, into Ontario, was marked, and many French settlers drifted across the border into that Province. La Tuque was one of the centres helped by this policy, and by its natural position in respect to the great lumbering interests of the St. Maurice region. In the new areas of the Province the Government promoted colonization by grants for making or maintaining roads and building bridges, while Colonization Societies and agencies under control of Mr. Perrault's Department directed settlers to the best farming regions; in 1921 the favourite districts were the Abitibi, Temiscamingue,

Matapedia and along parts of the Transcontinental and Quebec Central Railways—the Gatineau, Labelle, Lake St. John, Baie des Chaleurs and Gaspesia regions were also colonized to some extent; in the Abitibi, during 1920, there were 1,733 families or 11,832 persons settled. It may be stated here that Mr. Perrault was elected Batonnier-General of the Provincial Bar during this year, while L. A. Richard, K.C., formerly Secretary to Sir Lomer Gouin, was appointed Deputy-Minister of this Department in succession to S. Dufault, who was superannuated after 35 years' service.

The annual Report of Hon. Mr. Perrault for the year of June 30, 1921, showed the activity of Colonization operations and an expenditure of $449,960 by the Department and $34,170 by interested parties upon 109 miles of new roads, upon 125 miles of unfinished roads, and the repair of 430 miles of highway with the building or repairing of bridges and culverts; under the $5,000,000 vote for Colonization purposes $986,137 had been expended, with $43,162 from interested persons, on 301 miles of new roads, the completion of 364 other miles, repair of 81 miles and construction of bridges and culverts. As to the regions concerned, Abitibi was described as the favourite with 4,038 new settlers during this year; the Montreal Colonization Office reported the placing of a number of French and Belgian immigrants on farms in the neighbourhood of that City; the French-Canadians repatriated from the States and located again in the Province were 869 and the total number of immigrants arriving at the Port of Quebec, with this Province as their destination, was 10,012.

In connection with Fish and Game, the Minister reported a collection of $308,968 from the rental of lakes, rivers, and hunting territories, with royalties on 350,000 skins under fur-trading licenses; the return from Mining concessions, licenses, certificates, etc., was $642,285. Theo. C. Denis, Superintendent of Mines, reported to the Minister a poor year in Mining for the Province; the total production for the calendar year 1921 was $15,522,988, as compared with $28,392,939 in 1920, or a decrease of 43·3 per cent. The chief products were Asbestos totalling $5,199,789, compared with $14,749,048 in 1920, Cement, $5,410,-276, compared with $6,545,053; Brick totalled $1,198,471, or a reduction of $750,000 in value, and Limestone $1,523,027, which stood at about the same figure; Chromite, Magnesite, Mica, Silver, Zinc, all showed considerable reduction on a small production; Mineral paints stood at $90,765, Granite at $369,122, Lime at $624,574, and Building sand at $263,813.

The Provincial Secretary, Hon. L. Athanase David, had a Department which was associated with the official statistics of the Province. Under him was the Bureau of Statistics with G. E. Marquis as Chief Editor of the *Statistical Year-Book of Quebec*—a valuable compendium whose 1921 issue was the 8th in succession. This volume had a new Labour Section prepared by

Felix Marois, which laid stress upon the value and work of the National and Catholic Unions of the Province, which held a Congress at Hull on Sept. 23-27, 1921. M. Marois reviewed the recently-passed Municipal Strike and Lock-Out Act, which provided for compulsory arbitration of disputes in municipal services involving 10 or more employees; it applied to policemen, firemen and waterworks employees, or to those in charge of garbage incineration; it, also, dealt with disputes respecting wages, labour conditions or dismissals caused by affiliation with a Labour organization. The Act made it illegal for any employer to declare a lockout or for any employee to go on strike before the dispute had been submitted to a Commission of Arbitration; it provided a fine of not less than $100 and not more than $1,000 for every employer during every day the lockout lasted; and one of not less than $10 and not more than $50 for an employee during every day the strike lasted; a fine of not more than $1,000 and not less than $50 could be imposed upon any person guilty of encouraging or aiding any strike or lockout.

He mentioned the recent legislation under which Group insurance was authorized on the lives of Public officers and employees; he stated that there were in the Province 435 International Unions with 48,408 members reported to the Department, 114 National and Catholic Unions with 6,350 members reported, and 16 other Unions with 2,064 members reported; he added that there were many more not reporting. Amongst the publications of this Department were *Judicial Statistics* for 1921 showing in minute detail the number of cases tried, nature of crimes, judgments, etc.; *Statistics of Benevolent Institutions* dealt with six Asylums and 5,491 Insane patients in 1920, of whom 2,856 were men and 2,635 women, with 56 Hospitals having 51,389 patients admitted during the year and 4,159 present on Dec. 31; 5 Sanataria with 145 patients and 113 Homes, Orphanages, etc., with 12,100 beds for the poor, 17,584 persons relieved during the year and 11,812 indigent persons resident at the end of 1920, while 109,940 indigent persons were stated to have been helped outside of these institutions; the total cost of maintaining Asylums, Hospitals, etc., in 1920, was $7,879,006, and the Receipts $6,384,192. Most of these institutions, though under the supervision of the Department, were directed by Religious communities.

Statistics of Penal Establishments showed 533 prisoners on Dec. 31, 1920, with 9,608 admitted during the year, 8,484 warrants and expenses of $421,766; there were 4 Reformatory Schools and 5 Inductrial Schools. There was an official *List of Municipal Corporations* and a 377-page volume of *Municipal Statistics* showing 926 Parish Municipalities with 249 villages, 87 Town and 20 City municipalities; they had an area of 24,270,548 acres and a population (1920) of 2,503,548 persons with 35,939 miles of public roads; the building operations of 1920 showed $39,661,697 spent

upon houses and workshops; the Assets of these Municipalities (Dec. 31,1920) were $204,029,044 and Liabilities $220,207,434; the Public services of Utilities—water, water-works, sewers, gas and lighting, telephones, etc., totalled $65,541,798.

The Department of Agriculture is dealt with separately. Meanwhile, Arthur Sauvé had been acting as Leader of the Conservative Opposition in the Legislature with a very small following and a decidedly up-hill task. Politics were not taken very seriously in that body at this period and it was not unnatural that some Conservative discontent should be expressed as to the degree of progress made. Mr. Sauvé joined with the Premier in a tribute to the Duke of Devonshire on Jan. 13: "I regret that there are some people who do not know the people of Quebec, who will not try to understand them and who try to take from them the liberties which are their historic right; but the people of the Province will continue on their road, cherishing their traditions and appreciating, in the best manner possible, the grand institutions of the Empire." At a Quebec luncheon tendered by his supporters, on June 21, Mr. Sauvé delivered a political speech from the Conservative point of view:

> Mr. Taschereau says that he gives to Agriculture, to Public instruction and to Colonization, much more than the Conservatives gave 25 years ago; but he forgets that times have changed and that movements which the Conservatives started to develop, such as the Dairying industry, now necessitate a larger expenditure. He particularly forgets that 25 years ago the Conservatives collected about $4,000,000 in taxes, and that to-day the Government collects $14,000,000, or ten millions more, from taxes which the Liberal party then denounced as unjust and vexatious; taxes collected, also, from ten other new sources of taxation which the Liberals imposed in different forms. Why did he not say that the Liabilities had increased by more than 11 million dollars since 1896? x x x I blame the Government for having, through improvidence, incompetence, and guilty bluff, plunged the Municipalities into enormous expenses for badly-built roads, very difficult and costly to maintain, and for having spent $30,000,000 for 3,000 miles of highway—of which the greater part have to-day largely deteriorated.

At St. Lawrent, at Berthierville, in Montreal, and at other points, the Opposition leader urged his arguments against the Government—assisted, usually, by Hon. E. L. Patenaude, a one-time Dominion Minister. Seven bye-elections took place at the close of the year, with Hon. Jacob Nicol, the new Provincial Treasurer, elected by acclamation in Richmond (Dec. 15) together with J. Hugues Fortier, in Beauce, L. P. Mercier in Three Rivers, and J. P. C. Lemieux in Wolfe. On Dec. 22 J. M. Richard was elected by 474 majority in Vercheres, Joseph Gauthier by 819 majority in St. Mary's Division, Montreal, and Eugene Godbout in Témiscouta by 2,402 majority. All were Liberals and supporters of Mr. Taschereau. The Montreal *Star*, on the day before the latter elections, protested against the failure to run straight Conservative candidates and described the Conservative party in the Province as needing more aggressive leadership.

Incidents of the year included the appointment of 23 King's Counsel by the Government; the selection of A. W. G. Macalister, K.C., of Quebec, as a member of the Public Service Commission in succession to Sir J. Georges Garneau; the election of Gordon W. MacDougall, K.C., as Batonnier of the Montreal Bar, and the appointment (Dec. 14) of Hon. Paul Tourigny as member of the Legislative Council for Kennebec; the Convention of the St. Jean Baptiste National Federation held in Montreal on Apr. 17-21 with delegrates present from all parts of Canada and the United States. At this gathering, the opening addresses were given by Mgr. Georges Gauthier, Hon. L. A. Taschereau and Hon. L. A. David; Victor Morin, President of the Society, spoke on the "Importance of National Groups," and Miss G. Le Moyne on the work of the National Federation. At a mass-meeting of the St. Jean Baptiste Society in Montreal (June 24) 2,000 members passed a Resolution urging that this date be made a statutory holiday as the National Day of the French-Canadian, and another one, amidst acclamation, declared that "the Saint Jean-Baptiste Society, meeting together at the Lafontaine Park, renew their attachment to the faith, the language and the traditions of their ancestors, and their sincere loyalty to the British Crown." In the afternoon 15,000 children, from 36 schools in the north and east of the City, took part in a celebration at the Park and were addressed by Mr. Morin and others.

On July 12 a French warship was welcomed at Montreal and shared in the local celebration on the 14th of the Fall of the Bastile, when the French Consul-General, Marcel de Verneuil, reviewed a guard of honour while Commander de Penteves, on behalf of the French Republic, conferred the Legion of Honour upon Lieut.-Col. J. P. Decarie, Lieut.-Col. Chaballe and Major Olivar Asselin. On Apr. 5 Godefroi Langlois, Agent-General of Quebec in Belgium, visited Montreal and urged the Chambre de Commerce to promote trade with that country; he said that it was not generally known in Brussels' financial circles that Canada had money or Banks; on Apr. 16 he was tendered a banquet, with Sir Lomer Gouin presiding, and again urged better trade relations with the Belgians *plus* a Government credit. An interesting incident was the conclusion (June 20) of the legal conflict between Lord Atholstan of *The Star* and L. J. Tarte, Eugene Tarte and *La Patrie*, by the publication of a statement signed by the defendants (L. J. and E. Tarte) declaring the aspersions cast by *La Patrie* upon Lord Atholstan to have been unjustifiable and not supported by evidence.

Camille Paquet of Montreal was elected President of the Board of Notaries of the Province on July 13; in November the newly-organized Merchants' Associations of Montreal met and elected W. A. Doig President, with Adelard Fortier and H. J. Elliott, K.C., as Vice-Presidents; a judgment of the Imperial Privy Council at this time, in the Sharples Estate case, gave a decision which declared to be constitutional an Act of the Legis-

lature of Quebec levying Succession Duties upon movable property situated outside of the Province; the Montreal exemptions from taxation in 1920 were $227,436,969 out of a total Assessment of $663,523,174; during 1921 more people were brought to trial before the Criminal Courts in Montreal than in 1920, but with fewer major crimes during the year—a great number being sentenced for Automobile thefts, of which there were 8,910 cases in the year. On Dec. 31, Mr. Premier Taschereau issued a statement which read, in part, as follows:

> Quebec, in 1921, continued to set the example in post-war economics and social re-organization. Labour was given first place by all classes, optimism of a high standard was the rule of life in each individual, a frank and cordial co-operation among all races and all religions remained. In the face of a harvest considerably diminished, our agricultural population retained its proverbial good humour, its faith in Providence and in the future; threatened with persistent unemployment, our workmen allied themselves with the contractors to stimulate building and at the same time to relieve the shortage of dwellings; strikes, with their depressing and disastrous influence, were the last arm to which our labour unions would have recourse to overcome the high cost of living and the industrial crisis.

Quebec Legislation of 1921; Prohibition and the Temperance Act.

The 2nd Session of the 15th Legislature of Quebec was opened on Jan. 11th by Sir Charles Fitzpatrick, Lieut.-Governor, with a Speech from the Throne which expressed regret at the retirement of Sir Lomer Gouin—"one, who, for over 15 years, presided over the destinies of our Province with dignity, wisdom and devotedness"; referred to the bountiful harvest of 1920 and the Government's intention to establish a number of Demonstration farms; stated that settlers were continuing to increase the land under cultivation while new areas were being cleared and new roads built to facilitate Colonization—with legislation to completely separate the Colonization and Forest domains promised; declared the Labour laws of the Province to have had the best results and the workmen to be inspired with a spirit of equity and respect for order; stated that legislation would be asked granting to McGill and Laval the same contribution of $1,000,000 each as already given to Montreal University.

Temperance legislation was promised with a view "to restrict the sale of spirituous liquors by empowering the Government to exercise absolute and immediate control over it." The statement of reasons was explicit: "The measures enacted for regulating the sale of alcoholic liquors have not had the results expected. Constant infringements of the law threaten to subvert order and respect for authority. My Government proposes to do away with the present system and substitute for it a new one which, while respecting individual liberty, will remedy the abuses which our people so bitterly deplore." The Address was moved by Edouard Hamel and W. R. McDonald and passed, on Jan. 13, without division. The Speaker of the House was

Hon. J. N. Francoeur and he presented to the members on this date the Duke and Duchess of Devonshire—the Governor-General making a brief speech. In the Legislative Council the Address was moved by Hon. S. Létourneau, K.C., and Hon. G. R. Smith and was, also, passed without division; the Speaker of the Upper House, at this time, was Hon. Adélard Turgeon, C.M.G., C.V.O.

During the Address debate (Jan. 13) in the House, Arthur Sauvé, the Conservative leader, denounced the Government for the failure of the Prohibition law and alleged scandals and for an immense traffic which, he declared, existed out of Montreal to the United States. In following, Mr. Premier Taschereau eulogized the work of the Montreal Civic Commission and hoped for a settled and beneficial system of City government; accepted the contention as to abuses under the existing Liquor law despite every effort at enforcement; admitted the existence of a profiteering class and intimated legislation along the lines of Government control; declared himself in favour of Protection for Canadian industries against "the largest factories in the world standing just at our threshold and which are in a most advantageous position for the sale of goods—the too free entry of which into our markets would be ruinous to industry and to agriculture."

Legislation of the Session included a Bill approving of amalgamation of the Montreal General Hospital and the Western Hospital; the Hon. A. Galipeault's measure providing for compulsory Arbitration between cities and municipalities, employing ten men or over, in the Police, Fire, Waterworks or Incineration departments, and their employees, with fines from $10 to $100 a day for employees and $100 to $1,000 a day for municipalities taking action before the Arbitration Board should report. Acts were passed respecting the administration of oaths by justices of the peace, as to the jurisdiction of magistrates in civil, criminal and penal matters; respecting the Clerk of the Crown and the Court of Sessions; as to records and archives of magistrates' courts; respecting duties of coroners and the acquisition of immoveable property by corporations and persons in mortmain; authorizing the construction of the Batiscan Bridge and the abolition of toll bridges and turnpike roads; respecting Agricultural Societies and Agricultural Merit Awards; authorizing the establishment of Demonstration Farms and amending the Quebec Game laws; abolishing the Montreal License Commission.

A measure presented by Hon. H. Mercier, Minister of Lands and Forests, provided that Crown Lands should be classified as fit for agricultural purposes or as good only for timber limits. The Government was given power to transfer the former lands to the Department of Colonization and exclude them from any grant of timber licenses. A Bill presented by Hon. J. E. Perrault gave the Minister of Colonization power to issue location tickets and letters-patent for such land, and altered existing regulations

so that a settler would have to clear 30 acres before getting his letters-patent, at the rate of not more than 5 acres a year, with six years instead of five to run. An important new clause in the law was that establishing a Timber Reserve on every lot, and equal to 15 per cent. of the total area, for a period of 20 years. This timber could only be used for the benefit of the settler, and he would have no right to take any lumber out of that Reserve for sale.

It was claimed that this scheme would divide all Crown Lands into two sections, and prevent settlers from establishing themselves in isolated lots, in the midst of timber reserves, as they had done in the past—the result being the destruction of millions of feet of valuable lumber from forest fires caused by careless settlers in clearing their land. It would permit of colonization in selected areas, and enable the Department to construct the necessary roads to the lots, or even construct the roads before the selected districts were opened up for settlement. Under the $5,000,000 Loan voted for Colonization in 1920, $986,137 had already been spent on roads and wooden bridges, and this, with the $450,000 subsidy granted, made a total of $1,380,038 spent on Colonization during the past year.

The Hon. J. E. Caron, Minister of Agriculture, had some important legislation which included (1) a Bill authorizing the establishment of Demonstration Farms, selected by the Minister, under contract of management with individual farmers and remuneration or payments as decided upon—operation, methods, etc., to be under control of the Department with L. P. Roy of the Field Husbandry Service placed in charge; (2) a measure to organize Intermediate Agricultural Schools and providing that the Minister could establish and maintain in the Province a Dairy School—already tentatively started at St. Hyacinthe—with $50,000 appropriated for these objects; (3) a Bill to provide for the payment of milk and cream on the butter fat basis as ascertained by the Babcock test; (4) amendments simplifying and completing existent Agricultural legislation so as to prohibit the importation of bees or of agricultural supplies without a certificate attesting that the bees were exempt from disease and the supplies not infected—giving, also, additional protection to pure-bred animals and provision for the inspection of butter and cheese factories.

Other measures included Mr. Galipeault's Bill ratifying the agreement with the C. P. R. and its subsidiary, the Interprovincial and James Bay Co., for the construction of a line of railway from Kipawa to Rivière des Quinze; Mr. Mitchell's Bill respecting registration of Bonds, or debentures, issued on Provincial credit; the Provincial Treasurer's legislation granting Pensions, under specific conditions, to officers and employees of the Outside Public Service or their widows and children and including Prothonotories and their office employees, Clerks of the Circuit Courts, Clerks of the Crown, Clerks of the Peace,

Sheriffs, Registrars and their office employees with, also, Provincial detectives and members of the Provincial Police; a Bill respecting Protection of Public buildings against Fire and enacting License fees for installation of Heating and electrical systems in such buildings; a measure granting $19,000 to the Catholic Classical Colleges, $71,000 to the Catholic Model and Academical Schools and $16,852 to various Protestant institutions; a Bill fixing the salary of the Chairman of the Public Service Commission at $8,000 with a Pension of two-thirds of this amount—after 10 years service if not re-appointed; a Bill authorizing the Government to take up Group insurance on the lives of its public officers and employees.

An Act was passed amending and increasing the registration fees on all kinds of motor vehicles. The License Act was amended to impose a duty upon transfers of license; to charge hotels with a $5.00 fee per bed-room in cities and $3.00 in towns or villages, and lodging-houses one-half of these rates; to charge restaurants in Montreal 5 per cent. of the annual value or rent of the premises with varying rates for other places; to charge a license fee, ranging from $200 to $500 for circuses, etc., with $15 to $30 for side-shows; to charge on all places of amusement one cent per seat per day when the admission was $1.00 or less and 3 cents when it was over $1.00;to impose license fees on Race-tracks where betting took place, ranging from $300 to $1,000 for each track per day—with double these rates if the *Pari-Mutuel* system were used, and an entrance fee of 10 to 30 cents and a tax on percentage of each bet; to charge license fees of varying amounts on Auctioneers and on property and other sales by auction, on peddlars, billiard tables, and bowling-alleys, on brokerage agents doing business outside the Province of $2,000 or more, on Loan offices, on powder sales, on pawnbrokers, on the business of ferrymen, on private Employment Bureaux.

The Minister of Roads (Mr. Tessier) carried a measure authorizing the Department to acquire land by expropriation or agreement under certain conditions, and for highway purposes, with appeal to the Quebec Public Service Commission. An important measure was that incorporating the "Metropolitan Commission of the Island of Montreal," which provided that thereafter none of the 16 municipalities grouped under the Commission—including the City of Montreal itself—could be in default of interest on its debentures; the Commission would be responsible. The members of the Commission were 15, of whom 8 represented Montreal, one the Municipal Department of the Provincial Government, 1 each for Westmount, Outrémont, Verdun and Lachine, and 2 for the remaining 11 towns. The problem before the Government at Quebec was one of allowing several of those municipalities to fall in default and thus injure others as well as themselves in the bond markets of Canada, the States and England, or penalize, to some extent, the stronger municipalities by pooling the various groups

and constituting a central body whose financial credit would be superior to that of any taken alone. The municipalities concerned, with the assessed valuation and debenture issues, were as follows:

Municipality	Taxable Property	Debt	Municipality	Taxable Property	Debt
Montreal	$851,289,316	$121,445,527	Lachine	17,385,520	2,525,352
Outremont	23,157,904	3,061,279	St. Laurent	$ 4,869,234	$ 847,425
Westmount	54,388,080	3,553,360	Montreal, North	4,962,915	1,423,954
Verdun	18,445,180	3,555,410	St. Michel de Laval	6,047,523	1,888,880
Mount Royal	10,040,000	1,377,649	Montreal, East	15,472,510	1,966,045
Hampstead	2,785,000	310,845	Pointe aux Trembles	7,714,067	2,422,907
Montreal, West	3,770,808	618,967	Laval de Montreal	2,306,210	266,533
Ville-St.-Pierre	6,597,886	560,762			
Ville LaSalle	2,415,042	264,340			

Hon. Mr. Mitchell carried a Bill which provided for the consolidation of all Loans held by any municipality, so that if there were any loans on which the sinking fund was insufficient, the municipality would be able to impose the necessary special tax to meet the sinking fund requirements. The Montreal legislation of the Session was important and the battle between the Elective and Commission systems of government was fought with vigour. The important measure was that amending the Charter of the City of Montreal. It involved two different systems of Municipal government—"A" and "B"—to select from, with a Referendum of the citizens to decide. The City had, for three years, been governed by a Civic Commission under E. R. Décary, and very much against the wishes of the popular politician, Hon. Mèdéric Martin, M.L.A., Mayor of Montreal for a number of years, and who did not like being checked by any such body.

Sir Hormisdas Laporte and 16 prominent citizens had worked for a year upon the proposed Charter "A," which involved a City Council of 15 members elected by three large divisions under Proportional Representation; provisions for the recall of dishonest aldermen, without resorting to Courts; the Mayor to be elected by Council and a single administrative body to be created which would entrust its powers to a responsible General Manager. There was to be a compulsory Census for municipal and school purposes; a Purchasing and Sales Department; a City Planning Commission for the City and a Technical Commission. There were to be no more loans unless approved by the property-owners and no more annexations without the consent of the property-owners. The other plan, "B," presented and pressed by Mr. Martin and his supporters, included a City Council of 35 aldermen representing 35 small wards and elected by the majority system with the Mayor elected "at large"; continuation of the double mandate which allowed an Alderman or Mayor to be a member of the Legislature or of Parliament; no vote for bachelors even if they paid taxes. The two plans were incorporated in an elaborate Act of 300 pages amending and revising the Charter of Montreal.

A vigorous contest followed upon the Referendum, which took place on May 16th, with a vote of 44,654 in favour of "B"

plan, 26,054 for "A" plan and a victory of 18,600 majority for Mayor Martin and the City Council method. Another measure, a Government one, was the organization of the Quebec Bureau of Public Charities with powers which included (1) the right to advise the Government as to what institutions should appear on the list of recognized Public Charities and (2) the duty of enquiring into these Charities, the merits and objects of their work and the disposal of the proposed grants. The Act declared that all such grants must be devoted entirely to the maintenance or hospital treatment of the indigent, and that the Government's grant must not be more than one-third of the total received for charitable purposes by any one institution.

Other legislation included a Bill establishing the Judicial District of Abitibi in the North country with Amos as its chief place; an Act to amend the Game Laws for the better protection of game; a measure dealing with Municipal strikes and lock-outs which were forbidden without previous arbitration; an Act authorizing the Montreal School Commission to borrow $700,000 for purposes of school betterments and a Pension fund for lay teachers and those of Quebec and Sherbrooke to borrow $100,000 each for School purposes; a measure increasing the revenues of the Protestant Board of School Commissioners of Montreal by instructing the City Corporation to revise the bases of its taxation and allotments for the purpose; an Act respecting Constables which reviewed and revised their duties and powers; an Act amending in elaborate terms the Statute as to protection of public buildings against Fire and, also, that respecting inspection of Scaffoldings.

Bills were passed authorizing the establishment of municipal Sinking Funds and the payment of Recorders' salaries by the Government, regulating the action of Railways in Crown lands and amending the Insurance Act to permit amalgamation of Mutual Benefit Associations. The Charter of the City of Quebec was amended to permit of borrowing $836,106 for specified purposes and that of Three Rivers to make temporary Loans; the charters of Verdun, Outrémont, Lachine, St. Lambert, Salaberry, Grand 'Mère and Montreal East were amended for various purposes; Shawinigan Falls was made a City and the La Tuque Charter completely re-organized; an elaborate Act authorized certain sales and transfers, loans and payments, with contributions by the Fabrique of the Parish in respect to the re-building of the Cathedral of Chicoutimi—twice burned in the space of two years.

Incidents of the Session included the appointment of Hon. Messrs. Taschereau, Mitchell and David, with P. Bercovitch, K.C., Dr. B. A. Conroy, J. H. Lemay, A. Monet, L. A. A. Cannon, K.C., P. J. Dufresne, Arthur Sauvé, and Brig.-Gen. C. A. Smart to enquire as to "a mode of officially informing the public of the work of the Legislature"; the statement by Hon. Mr. Tessier (Feb. 22) that from July 1, 1912, to date, the Minister of

Roads had expended for the construction, improvement and maintenance of roads a total of $30,493,968; the answer of Hon. Mr. Caron to a question as to the Agricultural Co-operative Societies of Quebec that the Co-opérative Centrale des Agriculteurs had made profits of $19,662 in 1916, $19,521 in 1917, $23,056 in 1918, $33,831 in 1919, and $17,892 in 1920, and had paid out of the latter year's profits a dividend of 6 per cent. for 1916 and of 8 per cent. for 1917-18-19 and 1920—with the shareholders numbering 8,153; the figures of Government payments to 42 Newspapers for advertising, publication of articles, etc., during 1919-20, given by Mr. Mitchell on Feb. 9th, as totalling $27,081, —of which $8,642 went to the Montreal *Herald*.

On Feb. 22 J. E. Robert and H. Pilon moved for copies of all correspondence relating to the Cattle Embargo; after discussion Messrs. Caron and Taschereau moved an amendment that the House, "having considered all the facts relating to the Embargo on Canadian cattle in England, is of opinion that such an Embargo is prejudicial to the cattle breeders in the Dominion and regrets that such Embargo is maintained." The latter was carried unanimously after Hon. J. E. Caron had stated that the British Government was trying to becloud the facts in the interest of the big cattle graziers and that, even if that Government wanted to keep Canadian cattle out, it should not slander the products of the Dominion; other speakers urged action in the interest of stronger ties between Canada and Britain.

Government Control of the Liquor Traffic. At the beginning of the year it was generally understood that the Taschereau Government would accept the principle of State control of this business—a policy more or less necessary in view of the State abolition of the traffic in all surrounding Provinces or States. Ordinary laws and their enforcement had become increasingly difficult to handle and would become impossible when a private traffic was faced with the huge profits of a contraband trade over the border. Efforts along the line of moderate legislation had been made with, in 1919, the sale of whiskey prohibited except for special purposes, with the sale of beers and light wines, of specified alcoholic contents, permitted in cafés, etc. Abuses, however, developed, and the law was not properly observed—especially in Montreal.

The figures of crime were normal and the Montreal Police Department reported 3 murders in 1920 as against 10 in 1919, with 10 attempted murders in 1920 and none in 1919; burglaries and thefts showed a slight increase. The vital point seemed to be the creation of a class of profiteers who sold liquor at excessive prices, and often of a quality that seriously endangered the public health; the London *Times* correspondent stated at this juncture that while the Vendors reported total sales to the amount of $1,500,000, reports from importers indicated a sale of over $6,000,000 worth to Vendors; it was also asserted that the total value of liquor imports into the Province was nearly $75,-

000,000 a year, and that, while there were only 2,000 physicians in Quebec, tens of thousands of liquor prescriptions had been issued—chiefly by a few doctors.

On Jan. 13, 1921, Mr. Taschereau indicated in the Legislature that the Government would take action along the lines of control; on Jan. 26 a new Bill respecting Alcoholic Liquors was presented by Hon. W. G. Mitchell after a morning Caucus of Government supporters at which the Premier fully explained its terms; another measure in this connection and respecting the possession or transportation of Alcoholic Liquors was introduced by Mr. Mitchell on Mch. 16th. The 2nd reading of the first and principal Bill took place on Feb. 9th, when the Treasurer explained its provisions at length. He stated that the existing Prohibition Act had not proved a success, that it seemed to be unworkable and that something else had to be done in order to improve conditions in the Province. He traced the efforts of the Government, in years past, to restrict the Liquor trade by reducing licenses and other means until the recent effort at **partial Prohibition** was made.

It had failed because, in the great City of Montreal: "I believe that 75 per cent, of the people, first of all, are against Prohibition of any kind; when you have a city of 700,000 people, three-quarters of whom are against the provisions of a law, it is an impossibility—with all the police force and detectives and all the force the Government can give, or all the Courts can do—to enforce that law." He quoted voluminous extracts from Prohibition officers, police, ministers, and officials from all parts of the Continent, to show that the same state of affairs existed wherever a large proportion of the people were against strict Prohibition and in favour of some sort of licensed sale. Then, Mr. Mitchell turned to the question of Doctors' prescriptions, and said that no man in his right senses would pretend that these prescriptions had not been abused, and criminally abused. An interesting statement as to Prohibition in other Provinces followed:

> In order to prove that it is not the majority of the people who want Prohibition even in those Provinces that have just taken votes, let me point out that in Manitoba, out of a population of 553,000, according to the last Census, those who voted in favour of Prohibition were 68,831. In Saskatchewan, out of a population of 647,000 only 86,849 voted in favour of Prohibition; in Alberta, out of 496,000 population, there were 63,000 voted in favour of Prohibition; in Nova Scotia, out of 492,000 population, according to the Census of 1911, only 83,422 voted in favour of Prohibition. So that, in the three Western Provinces, the new law goes into effect by the vote of from one-eighth to one-tenth of the population and in Nova Scotia it was one-sixth.
>
> Another indication of the effect of such laws is that in 1917 only 191 stills were discovered, in 1919-20 there were 985. Ontario showed an increase from 50 to 296, Manitoba from nil to 137, Alberta from nil to 210, Saskatchewan from 15 to 160 and Quebec from 11 to 43. There has also been an increase in the importation of drugs, through regular channels, to say nothing of what is smuggled. Thirty-five ounces of cocaine came in in 1912; in 1919 the quantity was 12,333 ounces. Morphine jumped in

the same period from 400 ounces to 30,089, while opium increased from 5,017 pounds to 34,263. Prosecutions for the illicit sale of drugs were made in 40 sections of the country and fines amounting to $20,000 collected.

The debate continued on the 10th, with Brig.-Gen. C. A. Smart, Henry Miles and C. E. Gault opposed to the legislation. Mr. Sauvé, the Opposition leader, opposed the Bill and stated that in 1892 the Catholic Clergy had been against a proposal to control the Liquor traffic as not a suitable business for a Catholic Government to go into; he contended that the Government had no right to change the law before they had properly tried to apply it; he claimed that they had not done that, and so politicians, deputies and favourites were the associates of authorized vendors, who had violated the law every day and had poisoned and robbed the public; he asserted that the proposed legislation would undo all the work and education of years on behalf of Temperance, for the Government was telling the people that they could not get whiskey by the glass, but could get as much as they liked by the bottle; he declared that the law was not constitutional in view of the Doherty Act, and expressed a fear that the Government-appointed Commission would be composed of men who were politicians, or inspired by them.

Mr. Premier Taschereau replied at length, and repudiated absolutely Mr. Sauvé's allegations as to the Government and the liquor profiteers: "The men who direct the affairs of this Province are honest men who work for the good of the Province, and who apply the laws to the best of their knowledge and ability. The remarks of the Leader of the Opposition are the fruits of his own imagination." The Prohibition law had not worked, but it was generally approved at first—even by the Temperance interests: "Those who obtained licenses became millionaires and were profiteers. They had not all wanted to take advantage of the conditions that arose, but human nature being what it is one could not be surprised at the result; the licenses for import into Montreal were given to old-established firms, and among them were men who had been Tories almost since Toryism had existed—they had been given to respectable firms, but how long they remained respectable is another matter; the Vendors' licenses had been given to those whom the Government believed were the best qualified, and when they were given I believe the Vendors intended to respect the law, but most of them had not the moral force necessary to resist temptation."

He thought that public opinion had been against the 1919 law and now was against total Prohibition; personally, he was opposed to it, and sincerely believed that the day such a system was established in the Province there would be worse abuses than those which now existed. The Prime Minister also pointed out the impossibility of guarding their boundaries on land and river; there must, therefore, be established some system of Government control, and the Government had decided on the

law now proposed, so that the people could get good liquor, and be able to buy it openly, without any hypocrisy. The new law, if passed, was to go into force on May 1st and, meanwhile, the authorized Vendors could dispose of their stocks; the Provincial Treasurer stated on Feb. 15, however, that this would not cover new stocks ordered for shipment or received after Feb. 16th. On Feb. 24 Mr. Sauvé declared in the House that "the Prohibition law had been futile because influential politicians, active legislators in the Province, had every interest in having it broken"; if the Government would grant him a Royal Commission of Enquiry he would prove a number of general charges which he presented.

Some of these he left to be inferred as follows: "Let the Government grant me this Enquiry and I will show the rôle played by a certain legislator in the district of Quebec with an associate who is at present in Europe; let them grant me this Enquiry and honest people in this Province will see who organized certain Clubs in Hull where alcoholic liquor was sold day and night; let them grant me this Enquiry and the whole Province will see how the entire Government may be implicated in the organization and exploitation of the 'Compagnie des Liquers de l'Est,' and also in the business of Mr. Arthur Hinton." These were specimens of a dozen veiled charges of the same nature which the Opposition leader said he could prove. He concluded by moving the appointment of a Royal Commission to investigate the above accusations. If this were promised he would give the names of the members of the Legislature who were said to be implicated. The Prime Minister offered a Parliamentary Committee with Conservative representation, but this was refused and the motion was voted down without division.

Montreal was to be headquarters of the new Quebec Liquor Commission which was to be created to administer the Act; the Bill was variously discussed during ensuing days with Peter Bercovitch as, perhaps, the most constructive critic, and Mr. Sauvé as vehement in the persistent charge that un-named members were interested in the illegal sale of liquor. On Feb. 17 the measure passed a 3rd reading and, after some Council amendments had been received and accepted, the Royal Assent was given on Feb. 25. The general terms of the Act gave the Commission almost absolute power in the premises; alcoholic liquors, including alcohol, brandy, rum, whiskey, gin and liquors could only be purchased at the Commission's establishments and, whether sold to a person or shipped by parcel post, common carrier or express, were restricted to one bottle; hotels, restaurants, steamboats, dining cars and clubs, having secured a license from the Commission, could serve and sell Wine and Beer by the glass or bottle, but they must be consumed on the premies during a meal. The other chief provisions of the Act were as follows:

1. The Act applied to all parts of the Province, except where the Scott Act (old Canada Temperance Act) was still in force.

2. It created a Commission composed of five members, which was vested with all the rights and powers belonging, generally, to corporations; it was to be appointed by the Lieut.-Governor-in-Council, and to hold office "during good pleasure"; the members were to give all their time to the discharge of their duties, and its functions were: (a) to buy, have in its possession and sell, in its own name, alcoholic liquor in the manner set forth in this Act; (b) to lease or occupy any building or land required for its operations; (c) to borrow sums of money, guarantee the payment thereof and of the interest thereon, by the transfer or pledge of goods or in any other manner required or permitted by law; (d) to control the possession, sale and delivery of alcoholic liquor; (e) to grant, refuse, or cancel permits for the sale of alcoholic liquor or other permits in regard thereto, and to transfer the permit of any person deceased; (f) to prevent and investigate every contravention of this Act, make every seizure of alcoholic liquor sold, kept or transported in contravention thereof, and apply for the confiscation thereof, whenever required by this Act, and to prosecute offenders in its own name before any Court of competent jurisdiction; (g) to act, for the purposes of this Act, as the competent Provincial authority in connection with Customs and Excise matters; (h) to appoint every officer, inspector, clerk, or other employee, required for its operation, dismiss them, fix their salaries or remuneration, assign them their official titles, define their respective duties and powers.

3. It forbade restaurants, hotels, taverns, stores, groceries and clubs to sell Beer and Wine to anyone not 18 years old, to any interdicted person, to any keeper or inmate of a disorderly house and to any person who habitually drank to excess.

4. It allowed grocery stores and others with a permit from the Liquor Commission to sell Beer, provided that the quantity was not less than one bottle at a time, and that such Beer was not consumed in the Store—from 9 A.M. to 6 P.M., except on holidays and Sundays.

5. It prohibited the use of bars or counters for the sale and consumption of Beer, and in the taverns all playing of music, singing and dancing were prohibited.

6. It forbade the sale or delivery in the Province of any potable or non-potable alcohol, spirits, wine or other liquor, with the exception of Beer—except by and through the Commission.

7. It forbade the sale or delivery of Beer unless made by the Commission or by a brewer, or other person, authorized by the Commission.

8. It declared that no brewer could sell Beer or ship it without a permit granted him by the Commission, upon payment to the Commission of a yearly duty of $5,000, or unless such sale or delivery was to a person specially authorized by the Commission for the sale of Beer or of Beer and Wine.

9. It established a long and complicated system of permits with fees payable to the Commission for the right to sell Beer and Wine and regulated the transportation and keeping of liquor.

The most important of the other points involved was the permission of Sale for export though not under the control of the Commission* The Liquor Commission was appointed by the Government on Mch. 1st, and included Hon. George A. Simard, Member of the Legislative Council since 1913, as Chairman, at a salary of $14,000; Hon. H. G. Carroll, who resigned from the Court of Appeal and was appointed Vice-Chairman, with a salary of $9,000; Napoleon Drouin, ex-Mayor of Quebec, and A. L. Caron, President of the

*Note.—The Alcoholic Liquor Possession and Transportation Act specified the right of any Distiller or Wine Merchant under Dominion license to export liquor manufactured by him, and also permitted continuous transportation through the Province or to outside points.

National Athletic Association, and the Quebec Province Motor League, were two of the Commissioners, with Sir William E. Stavert, a financial man of well-known war services, at a salary of $8,000 each; D. R. Murphy, K.C., of Quebec, lately law partner of Sir Lomer Gouin, became Chief Attorney to the Commission at $8,000 a year. The Act came into operation on May 1st, and the Government had, meanwhile, refused any further time to wholesalers to dispose of their stocks; Mr. Taschereau stated in the House that the Commission would buy and sell only pure liquor, and for this the public seemed inclined to wait; the boot-leggers were in serious trouble because they could not expect, after the 1st, to sell poor whiskey at high prices to people who could buy good liquor from the Commission.

Meanwhile, on Apr. 13, the Anglican Social Service Committee had reported to its Provincial Synod as to the new Act: "This measure was evidently prepared with much care and its drastic character seems to show that the Government realized the situation created by the law now being superseded, and is determined to support its legislation to the limit. The Bill provides that the Government take over the Liquor traffic; it will itself carry on the trade in spirits, but grants permits for the sale of beer and wine. Your Committee feels that the Government is honestly endeavouring to deal with a traffic of moral bearing and of old standing in the commercial world; in this it should have the support of all right-minded citizens." Mr. Simard was interviewed, on Apr. 26, and stated that the licenses issued would be fewer than under the old law, and that 26 Government stores would open in Montreal on May 1st; the total number of permits actually given in the Province was reduced to 250 while in Montreal, alone, 1,500 applications were received.

Despite minor obstacles, and after two months of organization, Mr. Taschereau was able to state, on June 3rd, that: "To-day the new system is in operation throughout the Province and the results are beyond our own expectations. We have Government stores in the principal cities and towns, apart from Quebec City (Scott Act) and other places where Prohibition exists. We desired to leave to each place its autonomy. The Government stores are very well patronized. We have bought liquor which belonged to former Vendors, who consequently have suffered no loss, and the Commission has now started importation from Europe. It is in receipt every day of offers from large English and Scotch firms, while the best French firms are already sending samples and offering their wines at a very low price."

Following this the Commission published a series of advertisements in the press describing the nature of the new law, the powers of the Commission and the duty of the public. It invited public co-operation in observance of the law and declared (July 30) that: "It is a Temperance law demanded by the great majority of the people. It recognizes the right of any Municipality to allow or prohibit the issue of licenses by the Com-

mission in its territory; it is a law of liberty because it allows a citizen, who does not favour Prohibition, the right to obtain pure liquors in a legitimate manner; it is a law that assures protection against the sale of adulterated liquors. The Commission will sell to the public only pure alcoholic liquors and natural wines which have been analyzed by chemists of established reputations." On Sept. 12 Quebec City voted for the repeal of the Scott Act by 11,000 to 17,000, and this lessened one complication in the way of the new law; the Scott Act had been carried in Quebec three years before by 4,000 majority. Chicoutimi had recently voted to abolish this law and most of the towns had come under the Quebec Liquor Act, although Victoriaville and Farnham, Westmount, Verdun and Outremont, near Montreal, and Lévis, near Quebec, still remained loyal to the Scott Act. In the rural districts there were a number of Counties in which some of the municipal authorities objected to the issue of permits.

By the close of the year the Liquor Commission was in full operation and the new conditions in full swing. The Receipts of the Commission in May were $291,084 and in December $2,559,146, with a total for the 8 months of $9,325,866; its disbursements in May were $107,951 and in December $203,390, or a total of $1,335,184. There were Prohibition references to the law being abused but it did not appear that, in Montreal, crime conditions were any worse along the lines affected by liquor. Chief of Police Bélanger* was authority for the fact of 11 murders, and an increase in thefts with violence; this latter trouble, and the increase in Juvenile crime, were, however, officially attributed to Movie theatres and pool-rooms; another cause given was the laxity of the Immigration laws under which criminal classes were allowed to return from the United States to Canada after they had been deported.

Education in Quebec; McGill and the University of Montreal; The Despatie-Tremblay Marriage Case.

The Department of Education in Quebec was not under political control as in all the other Provinces; it was, however, under the supervision of Hon. L. A. David, Secretary of the Province, and to him Cyrille F. Délage, Superintendent of Public Instruction, reported for the year of June 30, 1921. Mr. Délage stated that the Congresses of School Boards—Trustees, Inspectors, Clergy—which he was arranging from year to year were proving very useful and that in this year they had covered the Counties of Rimouski, Matane, Vaudreuil, Temiscouta, Soulanges, Laval and Jacques Cartier; wherever held, these meetings had resulted in an increased average attendance, augmented salaries of teachers, new school municipalities and new or repaired buildings.

He reported notable progress everywhere in Teachers' salaries: "In 1912-13, there were only 75 female Catholic teachers

*Note.—Statement in the press of Mch. 8, 1922.

who received a salary of $300 to $400; in 1920-21, 1,678 received this amount. In 1912-13 there were only 180 female teachers who received a salary of $250 to $300; in 1920-21, 1,020 received that amount; in 1912-13, there were only 26 female teachers who received a salary of $400 to $500; in 1920-21, 388 received that amount." The number of School Municipalities in the Province on June 30 was 1,718, of which 1,367 were Catholic and 351 Protestants—a total increase of 42 in the year; during the year a sum of $1,588,669 was spent on building or repairing school-houses, compared with $1,241,868 in 1919-20; 25 years ago there had only been 2 Normal Schools for girls in the Province and now there were 12, while important districts like Beauce, Lake St. John and the Eastern Townships demanded the same favour, and, for a long time, the Normal Schools of Quebec, Rimouski and Chicoutimi had been too small.

Mr. Délage drew special attention to the work initiated in 1917 by the Catholic School Commission of Montreal, along the lines of Pedagogical instruction; to the organized Courses arranged for the male and female teachers under its control; to the aid given by the Sisters of the Congregation of Notre Dame and the University of Montreal. He added: "These courses, well co-ordinated, form the Pedagogical Institute affiliated to the University and directed by it. Their duration is three years, during which 60 pedagogical lectures are given. Last year and this year, His Lordship, the Rector of the University of Montreal, awarded to a large number of nuns, and to many brothers and lay teachers, certificates and superior diplomas in Pedagogy, attesting the work and success of the teaching body in that district."

The Department had proposed to Laval University at Quebec a similar organization for its Superior Normal School and hoped for success. Reference was made to Bi-lingualism in Quebec schools. The Superintendent stated that in Pontiac and three other Counties he had found French was neglected in the mixed schools; the Department arranged to aid in the payment of competent bi-lingual teachers and current reports showed the teaching of the French language in 20 schools where it had never been taught seriously; a Report asked for by the Consul-General for France—Marcel de Verneuil—upon the teaching of the French language in Quebec Schools had been prepared and submitted by C. J. Magnan, Inspector-General of Catholic Schools, and it was published in this Report. Mr. Magnan's conclusion was as follows:

> Outside of France, no country in the world has such an absolutely French school organization as that of the Province of Quebec—inhabited by more than two millions of French-Canadians. This French and Catholic school system dates only from 1846. It required nearly a century of struggle and the greatest sacrifices on the part of our forefathers to gain it. To-day the French-Canadian people freely enjoy their conquered liberties and the Protestant minority living among them also benefits therefrom. Since 1846 there has never been any school conflict in the Province of Quebec, because the immense French

and Catholic majority respects the rights of the English Protestant minority.

Mr. Délage concluded his statement with a reference to the celebration, on June 2nd, of the Jubilee in the teaching and educational career of J. N. Miller, the French Secretary of the Department of Public Instruction, and his regret that there was not an Order of Educational Merit to be bestowed upon such an official. Mr. Magnan's Report as Inspector-General stated that out of 7,000 lay female teachers in the Catholic Schools, only 386 had a permit from the Department—the others all had either a Normal School diploma or one from the Central Bureau; that the average class attendance of children from 5 to 18 years was 80 per cent. and more in 21 Divisions, from 75 to 79 per cent. in 17 Divisions and from 70 to 75 per cent. in 11 Divisions; that while the number of female lay teachers making this a life calling was increasing perceptibly, the too frequent changing of teachers also showed an increase; that in the 13 Catholic Normal Schools, 1,237 pupils were in attendance with 164 male and 1,073 female lay teachers-in-training. J. C. Sutherland, Inspector-General of Protestant Schools, reported chiefly as to salaries of teachers, with the conclusion, that "rural elementary salaries in any part of the Province, between $400 and $500, are insufficient to secure duly qualified teachers. In general, $600 or better, appears to be the safety point at present." Consolidation of Schools was being urged but without present success. The following table of Statistics for the year of June 30, 1920, was given in this 1921 Report:

(a) Roman Catholic Schools

Teaching Institutions	Number of Schools	Male Teachers	Female Teachers	Total pupils	Average Attendance	Ratios of average attendance
Elementary Schools	5,608	234	6,861	223,329	160,639	71·93
Model Schools	700	831	2,442	105,807	80,999	76·55
Academies	371	1,298	2,854	103,221	85,023	82·37
Normal Schools	13	42	152	1,318	1,221	92·64
Maternal Schools	57	13	151	8,147	6,253	76.75
Classical Colleges	21	742		8,632	7,940	91·98
Universities	2	311	24	2,057	1,889	91·83
Schools for the Deaf, Dumb and Blind	3	48	108	451	422	93·54
Schools for Arts and Trades	14	49		2,946	1,287	43·69
Night Schools	52	125	5	4,029	2,239	55·57
Technical Schools	5	75		1,967	1,469	74·68
Dress-cutting Schools	24		24	2,514	1,578	62·77
Agricultural Schools	2	76		411	319	77·62
School for Higher Commercial Studies	1	41		340	257	75·59
St. Hyacinthe Dairy School	1	19		248	248	100·00
Independent schools not subsidized	7	46		461	421	91·32
Totals	6,881	3,950	12,621	465,878	352,204	75·60

(b) Protestant Schools

Elementary Schools	704	56	1,525	47,027	33,170	70·53
Model Schools	57	15	152	4,543	3,170	69·78
Academies	41	114	328	11,960	9,376	78·39
Normal Schools	1	8	5	184	174	94·57
Maternal Schools	4		4	159	107	67·30
Universities	2	207	7	2,203	1,964	89·15
Schools for the Deaf, Dumb and Blind	2	3	10	91	89	97·80
Night Schools	13	29		1,069	530	49·58
Agricultural Schools	1	84		267	259	97·00
Totals	825	516	2,031	67,503	48,839	72·35

Educational incidents of the year included the bonuses voted by the Legislature to aid Municipalities in regard to Teachers' salaries and divided into sums of $125,000, $60,000, $30,000 and $10,000, which were allotted according to the amount paid by the municipalities concerned; the publication of a volume of *Educational Statistics* edited by G. E. Marquis and which for the year of June 30, 1920, reported 7,706 schools, 19,118 teachers, attendance of 533,381 pupils, with an average attendance of 75·19 per cent.; the similar volume for June 30, 1921, dealing with *School Corporations*, also edited by Mr. Marquis, and reporting Assets of $61,195,630, Liabilities of $42,638,543, Sinking Funds of $1,925,445, Receipts during the year of $22,147,091 and Expenditures of $21,024,007—the salaries paid to teachers being $6,722,-061, compared with $5,598,708 in 1919-20.

Protestant teachers in the rural districts of Quebec became increasingly difficult to obtain in 1921, several Model Schools were without a sufficient Staff while rural attendance of pupils was decreasing; by Order-in-Council, in July, the Provincial Government grants of $1,000,000 each to Laval, McGill and Montreal Universities were paid in a lump sum instead of by installments; Louis Guyon, Deputy-Minister of Labour, stated, on July 14, that about 11,970 children in Montreal, under the age of 16 had registered for employment during the last 17 or 18 months, and that the majority of these were over 14. The 57th meeting of the Provincial Association of Protestant Teachers of Quebec met in Montreal on Oct. 6, with 1,342 delegates present and W. A. Kneeland, President, in the chair; it was the largest and most successful Convention on record, and Miss Isabel E. Brittain, M.A., was elected President.

McGill University at Montreal. This historic institution celebrated its Centenary on Oct. 12-16 of this year with a Reunion of its graduates and various interesting functions and ceremonies. The actual date of foundation, so far as the Charter was concerned, was Mch. 21, 1821, when an endowment left by Hon. James McGill, who died in 1813, enabled an institution of learning to be fully organized in Montreal under Royal Charter, and with power to establish the higher Educational courses, elect professional bodies, organize a Staff and confer degrees; in 1855, under Sir William Dawson, the University had begun development as a great institution; in 1921 the faces of 7,000 graduates were said to be looking toward their Mother institution from all parts of the Continent and many other parts of the world. Locally, the event was considered an important one following, as it did, the great success of the previous year in organizing and collecting a National Fund of $6,000,000 for the institution. As the Montreal *Star* of Oct. 11 put it:

> McGill is a heritage to the present and the future from the past. It is a steadying, solidifying, influence, a power for good, a mighty source of upliftment and of inspiration, for all who care to embrace the opportunities and drink in the teaching it offers. To-day, as never before in

its history, it is needed by the City, by the Province, by the whole Dominion. That the University will stand fast by its high traditions, none need fear. It is for all who have at heart the future welfare of the citizens and statesmen of Canada that are to be, to leave nothing undone that lies within their power to strengthen the hands of those with whom the direction of the destinies of this great University at present rests.

The celebration was arranged with much labour and interest by the Montreal graduates through a Committee headed by Brig.-Gen. G. Eric McCuaig, D.S.O., and it began with the receipt of many messages from Universities, and institutions, and men of note at home and abroad with, in many cases, special delegates appointed to mark appreciation of the event—notably Cornell and Glasgow Universities, Nebraska and St. Andrew's, Toronto and New Brunswick. The first event was to have been a garden-party and Pageant on the Campus but these were prevented by torrents of rain. About 2,000 guests were present, instead, at a Reception held under the auspices of the McGill Women's Union with Sir Arthur and Lady Currie receiving the guests. On the 13th about 2,500 graduates met at the Capital Theatre, with Paul F. Size in the chair, to discuss matters associated with the University and the Graduates' Society, and with addresses from General Currie and Dr. C. W. Colby; there were 3,173 graduates registered, altogether, during the celebration.

During this day, also, the splendid collection of Historical pictures and documents, aboriginal relics, Indian remains and curios, archaelogical and ethnological antiquities of all kinds, associated with the early records of Canada, and obtained over a long period of years by David Ross McCord, was by him given to the University, and formally handed over by W. D. Lighthall, M.A., K.C., Convenor of the McGill Library Committee, and accepted by Sir Arthur Currie, as the McCord National Museum. It included an Indian Room, a McGill Room, a James Wolfe Room, a Pioneers' Room and a McCord Room—the latter illustrating the life of an early and historical Montreal family. An Arts Re-union luncheon was held, together with a special Convocation in St. James Methodist Church, which was packed with graduates and guests. The procession in the Church was led by H. E. the Governor-General and the recently-elected Chancellor—in succession to Sir Robert Borden—E. W. Beatty, K.C., President of the C.P.R., and Chancellor, also, of Queen's, with Sir Auckland Geddes, British Ambassador to the United States, and Sir Arthur Currie, the Prime Minister of Quebec (Mr. Taschereau) and many other notables.

Mr. Beatty presided and made his initial speech as Chancellor. In it he described two dangers facing Universities at this time as (1) losing touch with the life and intellectual needs of the people and (2) of becoming encrusted in tradition and precedent, or strangled by a cast-iron curriculum: "The University and the people are like Mahomet and the mountain. If the people will not come to the University, the University must go to the people. An excellent example has been set by the

oldest University of England—a thousand years old compared to McGill's Centenary—the University of Oxford, which instituted the now great University Extension Movement. McGill University, in my humble opinion, must be prepared to teach not only within the College buildings, but to come off the hill into the streets, into the suburbs and country towns." In addition to this, he declared, McGill's proud position could only be maintained "if it keeps step with the times, maintains an elastic curriculum and Faculties receptive to new conceptions of education." Lord Byng of Vimy—who laid stress upon the value of adequate teaching in English History—the Hon. L. A. Taschereau, Dr. J. R. Angell, President of Yale, and Dr. C. W. Colby also spoke. Fifty-five degrees of Hon. LL.D. were bestowed upon distinguished graduates and notable non-graduates:

Name	Description	Address
Frank D. Adams, Ph.D.	Vice-Principal, McGill University	Montreal
J. R. Angell, LL.D. Litt.D.	President, Yale University	New Haven
Hon. J. S. Archibald, M.A.	Acting Chief Justice of Quebec	Quebec
H. S. Birkett, D.S.O., M.D.	Dean, Faculty of Medicine	Montreal
A. D. Blackader, M.A., M.D.	Ex-Professor of Pharmacology	Montreal
Hon. J. T. Brown, B.A.	Chief Justice of Saskatchewan	Regina
William Bliss Carman, M.A.	Distinguished Poet	New York
Canon J. S. E. Chartier, M.A.	Vice-Rector, Montreal University	Montreal
C. W. Colby, M.A., Ph.D.	Author and Late Professor of History	Montreal
W. W. Colpitts, M.Sc.	Consulting Engineer	New York
C. Vandyke Corless, M.Sc.	Mgr. Mond Nickel Company	Coniston
Rt. Hon. Sir L. H. Davies	Chief Justice of Canada	Ottawa
Wellington Dixon, B.A.	Rector, Montreal High School	Montreal
John R. Dougall, M.A.	Editor, *Weekly Witness*	Montreal
Lady Drummond	Noted Red Cross Worker	Montreal
George H. Duggan, D.Sc.	President Dominion Bridge Co.	Montreal
Rt. Rev. J. C. Farthing, M.A.	Bishop of Montreal	Montreal
W. S. Ferguson, M.A., Ph.D.	Harvard University	Cambridge, Mass.
Rev. D. J. Fraser, M.A., LL.D.	Principal, Presbyterian College	Montreal
Sir J. G. Garneau, K.B.	Chairman, Nat'l Battlefields Commission	Quebec
Mgr. J. A. G. Gauthier, B.A., B.D.	Rector, University of Montreal	Montreal
Sir Auckland Geddes, M.D.	British Ambassador	Washington
James Harkness, M.C.	Acting Dean, Faculty of Arts, McGill	Montreal
R. T. McKenzie, B.A., M.D.	University of Pennsylvania	Philadelphia
James Grant Hibben, Ph.D., L.H.D.	President, Princeton University	Princeton, N.J.
Phelps Johnson	Designer of Quebec Bridge	Montreal
G. L. Kittredge, LL.D.	Harvard University	Cambridge, Mass.
Eugene Lafleur, K.C., D.C.L.	Emeritus Professor of International Law	Montreal
J. B. Lawford, M.D., F.R.C.S.	Ophtalmic Surgeon	London, Eng.
J. E. LeRossignol, A.B.	University of Nebraska	Lincoln
W. D. Lighthall, M.A., K.C.	Author and Lawyer	Montreal
D. R. McCord, B.A., B.C.L.	Founder, McCord Nat'l Museum	Montreal
R. E. McKechnie, M.D.,	Chancellor, University of B. C.	Vancouver
A. S. Mackenzie, Ph.D.	President, Dalhousie University	Halifax
Francis McLennan, K.C., B.C.L.	Barrister	Montreal
Sir Andrew Macphail, Kt., O.B.E.	Professor of History, McGill	Montreal
Alexander Macphail, C.M.G., D.S.O.	Queen's University	Kingston
F. H. Mewburn, M.D.	Physician	Calgary
A. A. Michelson, Ph.D., Sc.D.	University of Chicago	Chicago
Hon. J. B. Moore, A.B., LL.D.	Columbia University	New York
Lt.-Col. Herbert Molson, M.C., B.Sc.	Manufacturer	Montreal
T. H. Morgan, LL.D., F.R.S.	Columbia University	New York
W. C. Murray, M.A., LL.D.	University of Saskatchewan	Saskatoon
Rt. Rev. J. A. Newnham, M.A., D.D.	Formerly Bishop of Saskatchewan	Regina
M. Paul Pelliot	Professor, College of France	Paris
D. F. Porter	Chief Engineer, Dominion Bridge Co.	Walkerville
Helen R. Young Reid, B.A., LL.D.	Convenor, Montreal Patriotic Fund	Montreal
Sir T. G. Roddick, M.D., LL.D.	Faculty of Medicine, McGill	Montreal
H. J. Silver, B.A.	Superintendent of Protestant Schools	Montreal
Rt. Rev. J. F. Sweeny, M.A., D.C.L.	Bishop of Toronto	Toronto
Hon. L. A. Taschereau, D.C.L.	Prime Minister of Quebec	Quebec
R. Bruce Taylor, M.A., D.D., LL.D.	Principal, Queen's University	Kingston
Casey A. Wood, M.D., D.C.L.	Chicago Post-Graduate Medical School	
George M. Wrong, M.A.	University of Toronto	Toronto

Other events of the Celebration included Class Dinners at the Windsor and Ritz-Carlton; sports and games at the Uni-

versity Stadium and the presentation of a flag-staff to the University by Stopford Brunton, who had raised the McGill Siege Draft in 1917 and was second-in-command of the Battery in France; a Reception and Dance in the new Medical Building and a visit of 300 graduates to Macdonald College at Ste. Anne; a tremendous Foot-ball match with 12,000 people present and a Special Church Service organized by the Theological Colleges and Y.M.C.A. organizations; the unveiling by H. E. the Governor-General of a bronze Memorial Tablet to the 121 graduates and students of McGill who lost their lives in the World-War; the publication of a Special Centenary number by the *McGill News*—issued by an Editorial Committee with J. L. Todd, B.A., as the 1921 Chairman. The following Honourary Graduates were created: Hon. J. T. Brown, B.A., Chief Justice of Saskatchewan; J. E. LeRossignol, PH.D., LL.D., University of Nebraska; D. R. McCord, B.A., B.C.L., Founder of the McCord National Museum; Lieut.-Col. Herbert Molson, M.C., B.SC.; Rt. Rev. J. C. Farthing, M.A., D.D., D.C.L., Bishop of Montreal; Sir Auckland Geddes, M.D., British Ambassador at Washington; James Harkness, M.A., Acting Dean of the Faculty of Arts, McGill; Phelps Johnson, ex-President Dominion Bridge Co.; A. S. Mackenzie, PH.D., D.C.L., LL.D., President of Dalhousie University.; M. Paul Pelliot, Professor in the College of France; R. Bruce Taylor, M.A., D.D., LL.D., Principal, Queen's University; G. M. Wrong, M.A., Professor of History, University of Toronto.

The registration of students at McGill for 1920-21 totalled 2,786, of whom 537 were in Arts, 724 in Medicine, 39 in Pharmacy, 154 in School of Commerce, 676 in Applied Science, 120 in Dentistry, 132 in Law, 77 in Agriculture, 97 in Music, 72 in Social Service, 70 in Physical Education, 37 in School for Graduate Nurses and 50 in the Graduate School of M.A., M.Sc., and Ph.D. There were, also, 1,341 enrolled in various Extension Courses. McGill's incorporated institutions were the Macdonald College at Ste. Anne de Bellevue—containing the three University Departments of Agriculture, Household Science and School for Teachers, the Royal Victoria College or Women's College of the University. Its affiliated institutions included Acadia, Alberta and Mount Allison Universities and St. Francis Xavier's College; the Royal Military College, Kingston, and the Theological Colleges of Montreal—Congregational, Diocesan, Presbyterian and Weslyan. The Registration for 1921-22 was 2,769. It may be stated here that the final total of the McGill Endowment Fund of 1920 was $6,440,000.

Incidents of the year included the election of the following notable graduates of the University to Parliament: S. W. Jacobs, K.C., W. F. Kay, B.C.L., Herbert M. Marler, B.C.L., Hon. W. G. Mitchell, B.C.L., K.C., L. S. R. Morin, B.A., B.C.L., A. R. McMaster, K.C., J. C. Walsh, K.C. The annual Report of the Graduates' Society of McGill (November, 1921) showed 1,900 members and 16 Branches with P. F. Size as President and Eugene Lafleur, K.C.,

LL.D., and C. Graham Drinkwater elected as representatives on the Board of Governors. At the annual Convocation on May 12th 73 degrees in Arts were conferred, 87 in Applied Science, 50 in Law, 14 in Dentistry, 13 in Graduate School—5 M.A., 6 M.Sc., 1 Ph.D.; on May 27 the degree of B.Sc. in Agriculture was conferred upon 27 students with, later on, degrees in Medicine upon 99 students. Other incidents of the year included the election of R. F. Ruttan, D.Sc., F.R.S.C., Professor of Chemistry, as President, at the Montreal meeting of the Society of Chemical Industry of Great Britain; the receipt at the end of the year of $1,000,000 from the Rockefeller Foundation, for the Medical Faculty; the selection of Dr. A. B. Macallum, head of the Department of Bio-Chemistry, by the Rockefeller Foundation, to conduct an advanced course of lectures in the Medical College of Pekin, China.

During the year initiation by McGill of Extension lectures in Industrial Chemistry under the direction of Charles Hazen, M.Sc., took place, with the establishment by the University of a Memorial Fellowship to be awarded annually to a promising student wishing to pursue a post graduate course in Geology at McGill and in memory of Osmond Edgar LeRoy who was killed in the War. A two-year course, bringing the standard of the Department of Social Service up to that of any other School of Social Service on the Continent was inaugurated; the winning was announced, by Leslie Gale Saunders, Halifax, of the Scholarship granted by His Majesty's Commissioners for the Exhibition of 1851, valued at £200, tenable for two years, and offered in branches of Science, the extension of which was "specially important to national industries"; a donation of $1,000 a year for 5 years was received from Dr. J. W. Flynn of Prescott, Arizona, for Research work.

A Special Extension Course for Bankers was established covering many important subjects, with 40 lectures; the decision of the Governors (Dec. 14) was announced to raise the standard for entrance to the Faculty of Medicine by making one year in Arts, senior matriculation, or its equivalent, necessary for all wishing to enter the 1st year in that Faculty and to change the conditions of the LL.B. and B.C.L. courses so that the former would be conferred on those completing the course qualifying for practice elsewhere in the Dominion, and that of B.C.L. on those qualifying for practice in Quebec; there was also a decision of the Governors to re-organize the Faculty of Medicine. Notable retirements during the year were A. D. Blackader, M.A., M.D., LL.D., as Professor of Pharmacology; R. W. Lee, M.A., D.C.L., K.C., Dean of the Faculty of Law, upon appointment to the Chair of Roman-Dutch Law at Oxford; Henri A. Lafleur, M.D., Professor of Medicine. Amongst the important appointments were those of Gordon Jennings Laing, B.A., Ph.D., LL.D., University of Chicago, as Dean of the Faculty of Arts; Arnold Wainwright, K.C., as Professor of the Law of Evidence, and Prof. C. M. McKergow as Head of the Department of Mechanical Engineering;

Basil Williams, M.A., Kingsford Professor of History and Prof. Ian A. MacKay to the chair of Constitutional Law; H. M. MacKay as William Scott Professor of Civil Engineering, and Dr. Stephen Leacock as Dow Professor of Political Economy; Dr. J. C. Hemmeon as R. B. Angus Associate Professor of Economics; C. E. Freyer, M.A., Ph.D., as Professor of History; F. M. G. Johnson, M.SC., Ph.D., Professor of Inorganic Chemistry; Miss Helen R. Y. Reid, Rev. Dr. A. P. Shatford, Wellington Dixon, B.A., and H. J. Silver, B.A., were appointed Governors' Fellows. The annual Report for 1920-21 of Sir A. W. Currie dealt with various 1920 matters and, also, with some already referred to in these pages. In the Medical Faculty the following had been appointed Heads of Departments to act until the end of the 1922-23 Season:

Medicine and Clinical Medicine.....Dr. F. G. Finley
Surgery and Clinical Surgery.....Dr. G. E. Armstrong
Obstetrics and Gynaecology.....Dr. W. W. Chipman
Oto-Laryngology Dr. H. S. Birkett
Ophthalmology Dr. J. W. Stirling

This Faculty also established a new degree, that of Bachelor of Science in Medicine, with the major subject of study as one of the following: Anatomy, including Embryology and Histology; Bio-chemistry; Pharmacology; Pathology; Physiology. The admission standards were raised: "For admission to the Faculty of Law, Senior Matriculation, or the completion of the First Year in Arts, will henceforth be required. In order to obtain admission to the Faculty of Medicine the same standard must be obtained for the Session of 1922-23." So with the Faculty of Music. Amongst new donations mentioned by the Principal were the complete Library of the late Mr. Justice A. G. Cross, which had been donated by his son and sisters, and an original oil portrait of Lady Elgin, presented by Dr. W. D. Lighthall. An important special appointment was that of Dr. F. D. Adams, Dean of the Faculty of Applied Science and former Acting-Principal, as Vice-Principal of the University. General Currie, also, made an earnest reference to the death of his eminent predecessor, Sir William Peterson, on Jan. 4.

The University of Montreal—so long known as Laval of Montreal—made great progress in 1921. In 1919 and 1920 the Montreal Branch of Laval was given its complete autonomy *de jure et de facto*. In the canonical order, Montreal University had been established since the 8th of May, 1919, by a rescript previous to the Pontifical Bull. The Civil Charter was accorded by the Quebec Legislature, on the 14th of February, 1920. Its registered students in the 1920-21 Session totalled 3,656, and included 297 in Theology; 118 in Law; 349 in Medicine; 110 in Letters; 10 in Science; 172 in Dental Surgery; 20 in the School of Veterinary Medicine; 171 in that of Pharmacy; 93 in that of Social Science and Political Economy; 139 in the Polytechnic School—Engineering and Architecture; 110 in the Agricultural

College, Oka; 209 in the School of Higher Commercial Studies (Faculty of Commerce); 630 in the Conservatory of Music; 150 in the Institute of Modern Teaching; 65 in the School of Music; 60 in that of Household Science and 153 in that of Sacred Music; 500 in High Schools.

There were 15 officers of Instruction in the Faculty of Theology, 17 in that of Law, 82 in Medicine, 11 in Letters, 12 in Science, 25 in Dental Surgery and 19 in Commercial Studies; the Associated Schools, Colleges and Departments, included 228, or a total of 476. Archbishop Paul Bruchési was Chancellor of the University, the Rt. Rev. Dr. George Gauthier, Rector, Sir Lomer Gouin, Chairman of the Council, Very Rev. Canon E. Chartier, Vice-Rector, Hon. F. L. Béique, Chairman of Administrative Committee, Edouard Montpetit, General Secretary. The following were the Deans of the various Faculties in 1921:

Theology	Very Rev. Albert Urique.
Philosophy	Rev. Leonidas Perrin.
Law	Hon. Eugène Lafontaine.
Medicine	L. de Lotbinière Harwood.
Letters	Very Rev. Emilé Chartier.
Pure Science	Rev. Louis Joseph Morin.
Dental Surgery	Eudore Dubeau, M.D.

The Director of the School of Social, Economical and Political Sciences was Edouard Montpetit, the Principal of the Polytechnic School was Aurelien Boyer, the President of the School of Higher Commercial Studies was Emilien Daoust, and the Director Henri Laureys. There was. also, a Faculty of Philosophy with Rev. Léonidas Perrin, D.D., PH.D., D.C.L., as Dean, but the particulars are not available. The Colleges affiliated to the University included those of Ste. Thérèse, l'Assomption, Joliette, St. Laurent, Sherbrooke, St. Hyacinthe, Rigaud, Valleyfield, St. Jean, Ste. Marie (Jesuit) and Loyala College, Montreal (Jesuit). In connection with the Fund raised in 1920 Senator Béique stated on Jan. 13 that during the next five years the following capital would be available: 1920-1921, $565,136; 1921-1922, $1,104,297; 1922-1923, $1,669,709; 1923-1924, $2,253,191; 1924-1925, $2,275,118. After that $1,064,021 would be on hand, as several subscriptions were for ten years, and that from the Sulpicians extended over fifty years.* Through the Rockefeller Foundation gift the most modern apparatus had been added to the Medical laboratories, and the total cost of repairs and equipment to the Building destroyed by fire a year before was $427,-109. Honourary degrees of LL.D. were conferred in 1920-21 upon Marshal Foch and E. Cotelle, President, French Association of Notaries, Hon. J. B. G. Lamothe, Chief Justice of Quebec, and Hon. E. Guerin of the Superior Court.

Other Educational Institutions of Quebec. Laval University, Quebec, one of the leading Catholic institutions of the Continent, opened its academic year, 1921-22, with a Faculty num-

*Note.—See Quebec Educational Section in 1920 volume.

bering 92; during the preceding Session of 1920-21, 448 students were registered in the different Courses at the University proper; 807 attended affiliated Colleges and followed the prescribed course in Arts; 141 were students at the Schools of Commerce, Agriculture and Secondary Education; or a total registration of 1,406. Of these 172 received Bachelorships in Agriculture, Science, Arts and Letters, Medicine, Law and Theology, while 66 other degrees were conferred for special and post-graduate work, with 9 doctorships in Letters, Law and Theology.

The 1921-22 Calendar issued by the University showed that 275 students and former students had enlisted from the Seminary of Quebec and the University, of whom 13 had been killed in action and 28 had received decorations for distinguished service. The Seminary at Quebec, conducted in affiliation with the University, reported a total of 781 Students attending classes in 1920-21. Incidents of the College year including the opening of Ecole Normale Superieure and Ecole de Commerce, and, in September, 1921, the Ecole de Chimie; the deaths of Sir Adolphe Routhier, Professor of International Law, Prof. J. Bouffard (Forest Law), and Prof. L. P. Pelletier; the donation of $25,000 to the University by the family of Sir William Price—following a similar one by Sir William in 1920. The Rev. N. Gariépy, D.D., Superior of the Grand Seminary, was also appointed Rector of Laval during the year.

Loyola College, Montreal, occupied a unique position in being the only institution above High School grade for English-speaking Catholics in the Province of Quebec; while affiliated with Laval University, it prepared its students for the professional work of McGill and Toronto, and enjoyed complete autonomy in the conduct of its studies. There were, in 1921, 13 Professors or lecturers on the College Staff with an enrollment of 350 students. The course of studies resembled that in vogue throughout the Province in maintaining classical traditions and in giving a place of prominence to Latin and Greek; at the same time, Loyola had incorporated into its course subjects taught in English-speaking Universities such as Mathematics and the Natural Sciences. It conducted a Classical High School which attracted boys from various parts of Canada because of its position as representing in Higher Education the English-speaking Catholic element of Quebec; the Loyola School of Sociology and Social Service conducted a two-year course of studies in Social Ethics, Social Economics, Social and Economic History, Hygiene, English and Public Speaking, Social Law, Statistics, Dietetics, Child Welfare, Hospital Social Service, Psychology, Psychiatry and Psycho-Pathology, Field Work. It also had a system of Extension lectures. The Rector of the institution was the Rev. W. H. Hingston, S.J., and the registration figures for 1920-21 were 350, compared with 300 in 1919-20. According to the beautifully-published *Loyola College Review*, there were in the 1918

College year 278 College Old Boys on active Service with 36 killed.

The Theological Colleges of Montreal—Congregational, Anglican, Presbyterian and Wesleyan—in conjunction with Macdonald College, repeated the Session of the Summer School for Rural Improvement, held the year before, and met at the last-named College during August 2-12, 1921, with F. C. Harrison, D.SC., F.R.S.C. (Principal of Macdonald College) presiding. The number of students taking courses at the 4 Colleges in the year ending Mch. 31, 1921, in order named, were 19, 18, 54 and 123 respectively, or a total of 214 *plus* 16 special students in Religious Education. The Treasurer's statement gave the total receipts as $35,658 and showed assets of $544,154, at the end of the above fiscal year. Incidents of the year included the appointment of G. F. Grosjeau, B.A., as Travelling Fellow for 1921-23; the award of a Fellowship to C. H. Hetherington, B.A., and the appointment of the Rev. S. P. Rose, D.D., as Professor of the English Bible and Hermeneutics, at the Wesleyan College. The University of Bishops' College, Lennoxville, Quebec, for the year ending June, 1921, enrolled 62 students and awarded 23 degrees in Arts and Theology; the Hon. degree of D.C.L. was conferred upon Sir Charles Fitzpatrick, Lieut.-Governor of Quebec, the Rev. Canon Gould, M.D., and Lieut.-Col. W. H. Blaylock, C.B.E. In the Treasurer's Report for the College year the Revenue was given as $45,948; Assets of the University $685,870; Special Funds $230,633.

The Despatie-Tremblay Marriage Case. Associated with the religious feeling, the legal system and the public sentiment of Quebec, the Judicial settlement of this question by the Imperial Privy Council was an important event of the year. In 1904 the parties to this case, Malvina Despatie and Napoleon Tremblay, were married in the Roman Catholic Church of Ste. Victoire, at Richelieu, by their Curé. The civil formalities were all duly observed. Both parties were Catholics and cousins in the fourth degree, through common ancestors married in 1781, who were their great-great-grandparents. Neither knew of the relationship. They lived together after the marriage, but had no children. In 1909 (May 16) the husband, having become aware of the relationship, applied to the Bishop of St. Hyacinthe to have the marriage declared null and void, quoting a rule of the Roman Catholic Church, formulated at the Lateran Council in 1215, which forbade the marriage of Catholics related as cousins in the fourth degree unless a dispensation was first obtained.

On Feb. 10, 1910, an ecclesiastical Court, representing the Bishop of St. Hyacinthe, found that such relationship had been established upon the proof shown, and pronounced the marriage to be null and void, without civil or legal effects. In the Superior Court of the District of Richelieu, at Sorel, on Oct. 4, 1910, Mr.

Justice Bruneau gave judgment pronouncing the marriage to be null and void, without civil or legal effects. On Mch. 20, 1911, the Court of Review, in Montreal, Sir Melbourne Tait and Justices Fortin and Mercier present, found that the proof submitted by the plaintiff was illegal and insufficient, he not having proved the religious faith of the defendant, and not having legally proved the relationship between the parties, nor that such a relationship of the degree alleged constituted an impediment that invalidated a marriage according to the rules of the Roman Catholic Church. The Court of Review held, therefore, that there had been an error in the judgment of the Court of first instance, and reversed the decision.

The case again came before Mr. Justice Bruneau at Sorel, and, on June 26, 1911, after a lengthy hearing, he rendered judgment again annuling the marriage in practically the same terms as given in his former decision. In the meantime, the woman had offered to obtain a dispensation and go through the marriage ceremony again, and, on Nov. 29, 1912, the Court of Review in Montreal, Justices Tellier, De Lorimier and Archibald presiding, confirmed the above judgment of Mr. Justice Bruneau. On Mch. 28, 1913, the Court of Review in Montreal, Justices Tellier, De Lorimier and Greenshields presiding, granted Malvina Despatie permission to appeal to the Judicial Committee of the Privy Council from this latter judgment. Arguments in the case were first heard by the Judicial Committee in May, 1914. On Feb. 10, 1915, their Lordships took an unusual course in directing that the case be re-argued before them; they desired as full an explanation as possible of the old French laws governing marriage, and also to ascertain how far those old laws had been incorporated into the legal system of the Province of Quebec.

On July 29, 1920, after three days' argument, the Judicial Committee reserved judgment, and since that time the case had been held under consideration by their Lordships. An interesting turn was given to the whole case in September, 1920, when it was announced that Tremblay and Malvina Despatie had been re-married at Ste. Victoire, a dispensation having been secured from Bishop Bernard of St. Hyacinthe. Since this case was first instituted, half a dozen cases of a similar kind, Roman Catholic, Protestant and Jewish, had come before the Superior Court of the Province, and in each instance the Judges gave civil sanction to the previous decisions of the ecclesiastical authorities. The definite decision in England was given on Feb. 11, 1921, by Lord Moulton on behalf of their Lordships. He reviewed Article 127 of the Civil Code of Quebec as not affecting the matter in dispute one way or the other; this did not apply to the rest of the Code, which "must be interpreted as a whole whatever the form of a particular Article."

Nothing that occurred before the Cession of Quebec could be taken into account: "It must be remembered that before the

Cession Canada had been governed by the laws of a country which recognized no religion but the Roman Catholic. Protestants were allowed no civil rights; their marriages were held invalid and their children accounted bastards. When Canada became the possession of a Protestant Power, which, though it had permitted the practice of the Catholic religion, put Catholics under grave disabilities, all of this was of necessity changed. The laws of England would have obtained in Canada unchanged had it not been that stipulations were made in the various Capitulations and in the Act of Cession to secure religious freedom for Catholics. Is was from these alone and the subsequent Acts of Parliament relating to Canada that all the rights of Roman Catholics in Canada were derived. Full effect must be given to the engagements thus entered into and the provisions of the laws thus passed. They were definite and ample to secure to the individual full religious liberty." A close and detailed study and analysis of historical documents, legislation, and laws, followed, with the judgment given as follows:

> It remains to apply the law thus enunciated to the circumstances of this case. The marriage was contracted in all good faith. It was solemnized openly by a competent official and after due proclamation of the banns. It may be taken that if all the facts as to the relationship of the parties had been known the officiating priest would have required the parties to obtain a dispensation, seeing that at that date the Roman Catholic Church considered the extremely distant relationship sufficient to make a dispensation necessary, although their Lordships understand that such is no longer the case. Had he refused to solemnize the marriage without such a dispensation being obtained he would have been within his rights, and the law would have supported him in his refusal. But nothing of the sort took place. The marriage was performed with all legal formalities, and did not come within any provision of the Code which deals with questions of nullity. The relationship of the parties was not within the provisions of Article 124, 125, or 126, in respect of which actions contesting marriages on the ground of relationship can alone be brought. The marriage therefore falls under the absolute rule laid down in Article 185: (Marriage can only be dissolved by the natural death of one of the parties; while both live it is indissoluble.) Their Lordships are therefore of opinion that this Appeal should be allowed, and that the marriage between the parties should be declared valid and subsisting. They make no order as to costs.

The Canadian lawyers in this notable case were Arnold Wainwright, K.C., for the Appellant, Paul St. Germain, K.C., for the Respondent, while Sir Donald Macmaster, K.C., held a watching brief for the Church of England in Canada. The matter was very largely a case of internal action, polity and discipline within the Roman Catholic Church; yet the decision appealed to the expressed satisfaction of other religious bodies. H. C. Hocken, and the Orange leaders in Ontario, claimed that they had put up the money for the appeal.

Agriculture and Industry; General Resources and Production.

The year was not a favourable one, in many respects, for Quebec. The crops, as a whole, were light, especially hay, while roots and cereals were below the average; pasturage was not good and, though Dairy products held their own, the prices had decreased; the lumber cut was smaller than in 1920 and prices had fallen while demand lessened; so, in pulp-wood, where the over-production of the preceding year and the fall in prices had made business stagnant; the competition of Newsprint from other countries in the United States had a noticeable effect upon both the demand and prices for paper and the paper industry of Quebec was far from prosperous; the fur business was poor with almost pre-war prices; in manufacturing there was a decrease in production with some closing down of factories, a plentiful supply of labour and slightly lower range of wages. With all this said, however, the Province did not lack prosperity; its people probably felt the depression less than any other part of the Canadian population. There was, in fact, room for some rest in the progress of expansion.

Between 1910 and 1920 the number of industrial establishments had grown from 6,584 to 11,061, the annual wages and salaries paid employees from $69,432,967 to $159,732,521 and the value of products from $350,901,656 to $988,433,364.* Quebec possessed all the natural bases for large industrial development —a wealth of water-powers and natural resources; a great River and excellent ports, fine railway facilities and waterways, and a splendid class of artisans and workers. In Water-powers the Province was generously endowed. After careful investigation the Department of Lands and Forests estimated the gross water-power of the rivers of Quebec at about 15,000,000 horse-power. Excluding the rivers of the far north, Ungava, etc., there were 6,000,000 h.-p. for the inhabited portions—and, out of this total, over 900,000 h.-p. was developed; it had, in a few years, caused cities and towns to spring up in places covered by the virgin forest—such, for instance, as Grand 'Mère, Shawinigan, LaTuque, Port Alfred, and Clarke City.

In 1921 there were 63 Hydraulic plants installed at a number of points in the Province with a turbine capacity of 931,129 h.-p. In the Dairy industry there were 1,808 Butter and Cheese factories (1920) with a product of $23,580,942 in Butter and $13,373,250 in Cheese; in 25 industries running from a product of 5 to 15 millions (1919) there were 3,052 establishments and 57,798 employees. The following were the 14 chief industries and, though the figures were not so large in 1921, as a result of the depression, they indicate the industrial character of the Province:

*Note.—Provincial Official Statistics; G. E. Marquis Head of Bureau.

Industries	Value of Production	Establishments	Employees	Value of Production per Estab't	Employees	Employees per Estab't
Log Products	$61,493,919	1,419	17,678	43,336	3,478	12·4
Cottons	57,530,438	12	10,454	4,794,203	5,503	871·1
Flour and Grist Mill Products	42,061,066	428	1,209	98,273	34,789	2·8
Boots and Shoes	41,842,877	91	9,546	459,811	4,383	104·9
Tobacco, cigars and cigarettes	41,819,110	44	6,608	950,434	6,328	150·1
Wood pulp and paper	41,370,078	12	8,671	3,447,506	4,771	722·5
Butter and cheese	36,163,011	1,867	1,729	19,369	20,915	1·
Slaughtering and meat-packing	28,393,392	15	2,012	1,892,892	14,112	134·1
Clothing, men's factory	28,114,761	82	8,107	342,862	3,467	98·8
Shipbuilding and repairs	23,303,172	11	6,481	2,118,470	3,595	589·1
House building	21,897,341	285	8,298	76,883	2,640	29·1
Rolling mills and steel furnaces	21,653,001	16	4,481	1,353,312	4,832	280·
Foundry and machine shop products	18,410,037	134	5,641	137,388	3,263	42·
Electric light and power	16,553,543	146	2,404	113,380	6,885	16·4

Despite any conditions of temporary depression, therefore, Quebec in 1920 and 1921 was the largest producer of wood pulp of any Province in Canada, and also led in the manufacture of shoes, clothing, cotton fabrics, structural steel, railway rolling stock, tobacco and refined sugar. As to Agriculture, the Province, in 1920, had reached the peak of its production with a total value of $330,251,000 compared with $98,779,000 in 1914; the increase was three-fold while in prices the increase was not more than double; in 1921 the total, according to Federal figures, was $219,154,000, or a decrease of $111,000,000 in the year. The chief items of production in 1921 were Spring wheat, 2,754,000 bushels and $4,379,000 in value; Oats, 50,591,000 bushels and $30,355,000; Barley, 4,073,000 bushels and $4,073,000; Peas, 963,000 bushels and $2,408,000; Beans, 530,000 bushels and $1,685,000; Buckwheat, 3,503,000 bushels and $3,503,000; Mixed grains, 4,038,000 bushels and $3,432,000; Potatoes, 36,089,000 bushels and $28,871,000; Turnips, 16,934,000 bushels and $6,774,000; Hay and Clover, 4,205,000 tons and $121,945,000; Fodder corn, 806,000 tons and $7,657,000 in value.

These were estimates and, as usual, there was considerable difference between them and the Provincial figures which, in December, 1921, were given in a Provincial Bureau Bulletin as $192,773,000. The worst loss of the year was in the Hay crop, which decreased largely in product and about $150,000,000 in value. The number of Animals in the Province during 1921 showed a slight decrease in horses, cattle and sheep while in values, for all animals, the Federal figures showed a total decrease of $79,000,000—from $206,814,000 in 1920 to $127,515,000. Horses during 1921 numbered 406,959 valued at $36,219,000; Cattle were 2,052,494 and $71,113,000 respectively; Sheep 1,006,620 and $6,040,000 respectively; Swine 883,920 and $14,143,000. The great decreases were in value, with 19 millions for horses and 48 millions for cattle. Taking the Province as a whole, its estimated gross agricultural wealth (Dominion Bureau of Statistics) in 1921 was $1,288,813,000 in which Land, Buildings and Implements represented $830,795,000 and Livestock, Poultry, Fur Farms and Agricultural products made up the balance. The following table shows the Agricultural Income of

the Province during a 4-year period and also the deflation in Prices.

Quebec	1918	1919	1920	1921
Field Crops	$276,777,000	$309,963,000	$330,251,000	$219,154,000
Farm Animals (Sold)	40,862,000	37,683,000	31,250,000	20,262,000
Wool	3,896,000	3,238,000	1,478,000	1,203,000
Dairy Products	58,004,000	68,432,000	65,093,000	65,093,000
Fruits and Vegetables	9,200,000	9,200,000	9,200,000	9,200,000
Poultry and Eggs	5,040,000	5,040,000	5,670,000	6,930,000
Fur Farming	49,000	49,000	40,000	94,000
Maple Products	4,418,000	6,349,000	3,180,000	2,742,000
Tobacco	2,320,000	6,780,000	2,640,000	613,000
Totals	$400,566,000	$446,734,000	$448,802,000	$325,291,000

Meantime, the Minister of Agriculture, Hon. J. E. Caron, had made the best of the situation during the year. He was in close touch with the Agricultural Societies, which numbered 77 with 21,864 members, and the Agricultural Clubs numbering 624 with 58,249 members (1920); these organizations were prosperous with a combined income, in 1920, of $700,000, and powers of co-operation which were valuable to those in charge of agricultural development; in April the first four Demonstration farms were organized by the Department and others during the year. In July Mr. Caron sent a letter to all parish priests in the Province urging them to aid the Government in carrying the farmers through the current agricultural crises and to counsel their parishioners not to sacrifice dairy cattle at low prices because of the feed famine, but to winter them—even though it proved somewhat costly: "The present crop failure, added to a falling market, has considerably changed the situation this year. Fortunately, however, our farmers are in a much better financial position than ever before and should successfully emerge from this crisis. At the moment it is easy to predict a heavy loss for farmers in their hay and cereal crops. The former will scarcely yield a 50 per cent. harvest, and the cereal crops will suffer in almost like proportion." He urged avoidance of panic and promised all possible assistance from the Government; much was, in fact, done along co-operative lines.

The Minister's report for the year of June 30, 1921, illustrated Provincial conditions, and Mr. Caron dealt with various efforts to improve methods and increase production—the work of the Field Crops Service with 16 pure-seed competitions and 136 standing crop competitions; the success of the new Demonstration Farms and the amendment of the Agricultural Merit Act so as to permit the award of decorations to persons living in Canada or outside of it who had rendered distinct services to Agriculture; the appointment of 9 new District Agronomists, making the total 55, with a varied record during the year of 2,501 lectures, 4,179 demonstrations, help given to 25,206 home gardens, 38,613 visits made and 16,836 received, 20,688 pamphlets distributed and 48,093 letters written; the drought which prevailed during the summer and the successful operation of the Milk test with its resulting increase in cheese and butter yields; the continued increase in numbers of fowl with an estimate of

7,000,000 in the Province; the progress made in Apiculture with 64,417 colonies of Bees and 6,317 bee-keepers.

Other incidents of the year were the promotion and success of Lady Farmers and Home-makers' Clubs, now totalling 107, with lectures on homekeeping and physical training of children to 6,000 syndicated women farmers; the distribution of 50,000 special tracts to farmers and disbursements by the Department of $1,433,216 during 1920-21—including the Federal grant of $271,113. It may be added that the Provincial returns of population issued in 1921 showed distinct progress in Quebec with a total of 2,503,548 compared with 2,002,232 in 1911 and 2,286,500 by a Municipal census taken in 1919; the Birth in Quebec continued to exceed the ratio in any other Province with 83,466 in 1920 compared with 72,492 in Ontario—the Marriages were 21,211 and the Deaths 46,264. It may be noted, in passing, that Quebec shared in the general and increasing purchase of motor-cars with a registration of 59,707 as its 1921 total compared with 44,900 in 1920 and 34,987 in 1919.

The United Farmers of Quebec did not acquire a very active place in the public life of their Province; it was not until 1921 that the movement was at all in evidence and then chiefly in the Eastern Townships. Joseph Lambert ran as a Farmer candidate in the Yamaska Federal bye-election, and while addressing a meeting in his behalf at St. Elphêge, on May 20, A. H. Clement, President of the U. F. P. Q., made the following political statement as to Mr. Crerar's leadership: "He is only the nominal leader, because he knows more than others as to the guidance of a political party. He now directs matters, but none of us is his blind follower." Mr. Lambert only obtained a small vote. With the approach of the Federal elections in December, the Agrarians, however, were stirred up to more definite action and, on Nov. 1st, a Convention of Quebec farmers, numbering 300, met at Montreal to discuss the advisability of entering the campaign as a party. It was decided to run 25 candidates under the name of Independents, and a platform distinct from the other United Farmers' organizations was adopted; none of the candidates were elected and the vote polled was small. The platform was as follows:*

1. The support of International peace by the Canadian Government.
2. In relations with England, the Government to maintain the principles laid down at Confederation and to be guided first by Canadian interests.
3. The Rights of all to be respected, so that Concord may rule—regardless of racial, religious or social conditions.
4. Agriculture, Mines, Forests and Fisheries, with industries based on the exploitation of these natural resources, to be developed as far as possible.
5. A Tax to be imposed on Land and other Natural Resources held for advance in values.
6. A National policy to assure the industrial exploitation of such natural products as Nickel.

*Note.—Report in *Grain Growers' Guide*, Winnipeg, Nov. 9, 1921.

7. A permanent Commission to investigate Industrial affairs and Foreign Exchange conditions and to establish a basis for Customs fiscal policy.

8. The Government to appoint a Technical Commission to administer the Railways so as to reduce transportation rates and deficits, and to create a definite Railway policy.

9. The Government to reduce Naval and Military expenditure to a minimum; to exercise strictest Economy in all administrative branches; to establish Trade Commissioners abroad so as to find further outlets for Canadian products.

10. Only desirable Immigrants suitable for the development of the country to be admitted.

11. The State to compel political organizations to publish the source of their Election funds before and after Elections, and proprietors of newspapers to be compelled to publish a list of Shareholders.

12. The repeal of the Conscription law at the next Parliamentary Session.

Nova Scotia: Its Position, Government, Policy, Educational System and Other Interests.

This Province was, in 1921, naturally, one of the rich portions of Canada; actually its development had been considerable, although not in comparison with some other parts of the Dominion. The people, during this year, were in a fairly good position, though affected by the depression and especially by the condition of the Iron, Steel and Coal industries. It was a year of mixed crop yields, and although prices fell sharply and the farmer was not able to market his products in many cases advantageously, or even profitably, there were no extremes of need. In the Annapolis Valley, a rural community devoted mainly to agriculture and horticulture, prosperity was well maintained. The decline in values of farm products was not there reflected in production. The Steel industry fell to a low ebb and the Coal production was disappointing. The estimated total production of the Province* in 1921 was as follows:

Coal	$ 31,200,000
Coke and Bye-Products	3,400,000
Gold and other Minerals	226,400
Gypsum, Limestone, etc.	2,500,000
Building Materials and Clay Products	2,000,000
Iron and Steel Products	10,100,000
Fisheries	12,600,000
Manufactures, Ships and Feights	54,350,000
Products of the Farm	37,903,300
Products of the Forest	10,325,000
Game and Furs	800,000
Grand Total	$165,404,700

The failures of the year, as everywhere, were heavy, with a total of 119 in number, $3,327,832 in Liabilities and $1,286,611 in Assets, as compared with the respective figures of $399,064 and $118,154 in 1920. The agricultural wealth of Nova Scotia in 1921 was estimated at $185,139,000 by the Federal Bureau of Statistics; the value of its Field crops†, in 1921, according to Federal figures, was $29,556,400, which included $2,897,300 for

*NOTE.—Halifax *Chronicle* annual Estimate, Jan. 2, 1922.

†Note.—There is nearly always a variation, sometimes a large one, between Federal and Provincial Statistics.

Oats, $6,093,000 for Potatoes, $1,528,000 for Turnips, and $17,749,000 for Hay and Clover. The reduction in values from 1920 included $1,800,000 in Oats, $4,000,000 in Potatoes, $3,800,000 in Turnips, etc., $7,000,000 in Hay.

M. Cumming, LL.D., Secretary of Agriculture, in referring to these conditions in his 1921 Report, stated* that "while the average production of staple farm products was from 10 to 20 per cent. less per acre unit than in the preceding year, yet the season of 1921 will be best remembered as one in which crops yielded in much heavier quantities than would have been anticipated under the dry weather conditions which prevailed. One class of farmers, namely, the fruit growers of the Annapolis Valley, and adjoining areas, experienced, from almost every standpoint, a most successful year. Their yield of apples was only exceeded in the history of the Industry by the phenomenal yield of 1911 and, fortunately for them, failures in the fruit crops of the major part of Canada and the United States resulted in well sustained high prices. The general farmer, on the other hand, while fairly well satisfied with his harvest, was confronted with a slow-buying, low-priced market." The number of Horses in the Province (June 30, 1921) was 61,321 and valued at $6,007,000; the Cattle numbered 333,292 worth $11,335,000; the Sheep numbered 324,260 worth 1,437,000 and the Swine 52,064 valued at $937,000. The total reduction in values from 1920 was nearly $15,000,000 with 10 millions in Cattle and 2 millions in Horses as the chief declines. The Federal Bureau of Statistics—a new compilation in this case—gave the following facts as to Agriculture in Nova Scotia during the four years specified—showing also the after-war deflation in Prices:

Product	1918	1919	1920	1921
Field Crops	$42,486,000	$63,357,000	$47,847,000	$29,557,000
Farm Animals	4,654,000	5,074,000	4,122,000	2,235,000
Wool	1,055,000	840,000	554,000	278,000
Dairy Products	2,632,000	3,719,000	7,077,000	7,077,000
Fruits and Vegetables	3,900,000	3,900,000	3,900,000	3,900,000
Poultry and Eggs	800,000	800,000	900,000	1,100,000
Fur Farming	54,000	54,000	49,000	58,000
Maple Products	40,000	45,000	45,000	29,000
Totals	$55,621,000	$77,789,000	$64,494,000	$44,234,000

Nova Scotia, it may be added, received from the Federal Aid Act in 1920-21 (Mch. 31) $81,716, with $31,931 of this grant expended on the Agricultural College at Truro; the production of Commercial apples in Nova Scotia was 1,600,000 barrels in 1919 and 1,160,000 in 1920, with values, however, increasing from $9,989,680 to $10,931,420; the Fur farms in the Province (1920) numbered 55, and the value of the fur-bearing animals in stock was $277,025—in 1920-21 the value of the pelts produced was $112,948; the production of Potatoes in 1921 was $7,097,000, or more than $3,000,000 reduction from 1920†; the total imports of the Province (Mch. 31, 1921) were $38,823,401, and the Exports

*Note.—Report presented to House Apr. 20, 1922.

†Note.—Provincial Official Statistics.

$65,583,970; Building figures for 1921 are not available, but the value of work done in 1920 was $8,913,416 on a capital investment of $4,372,486; the Fisheries product of the same year was $2,429,270.

The industrial condition of Nova Scotia depended, to a great degree, on the prosperity and production of the Steel Companies. Hence the importance to this Province of the merger of the Dominion Steel Corporation, Ltd., the N. S. Steel and Coal Co., Ltd., and the Halifax Shipyards, Ltd., under the name of the British Empire Steel Corporation, Ltd., which was under way in 1920 and was completed in 1921; hence, too, the importance of the attacks and criticisms made in this connection and which found place in part of the press, in Parliament and in the Nova Scotia Legislature.

The Merger involved lands, buildings and properties of $150,956,605 less depreciation reserves of $20,000,000; Current Assets of $34,375,999 and total Assets of $168,736,283; a capital stock liability of $101,750,000 less deductions of $7,965,000. The Surplus of the constituent Companies was stated at $26,310,154. Ratification of the Merger was given on Apr. 7th by the Dominion Steel and the N. S. Steel Companies. In June, A. S. McNeill was appointed Superintendent of Mines, and in July, G. D. McDougall became Chief Engineer of the British Empire Steel with Arch. McColl as General Manager of the N. S. Steel and Coal. At the close of the year a reduction in wages was announced, which the men for a time refused to accept. The latest Industrial statistics of the Federal Bureau show that in 1919 there were 1,032 establishments in Nova Scotia with a capital of $51,866,821, 16,541 employees, and $73,811,822 of products; the three chief industries were (1) rolling mills and steel furnaces with $20,399,234 capital and $31,362,000 production, (2) Ship-building and repairs with $6,732,419 capital and $7,663,072 production, and (3) Electric light and power with $4,834,368 capital and $1,637,130 production. By 1921 there was a great reduction in ship building.

The output of coal in Nova Scotia was 5,580,722 tons (Federal figures) compared with 5,725,000 in 1920, and an interesting fact was that the shipment of coal from Nova Scotia to the St. Lawrence ports in the season of 1921 totalled about 1,100,000 tons, which included coal carried by the Canadian National Railways in the Government's own vessels. All of this came from the mines of the British Empire Steel Corporation, and included not only cargoes from the Sydney collieries, but coal from the Acadia and Springhill collieries on the mainland, while two carloads went by water as far as Toronto; the annual shipments of Nova Scotia coal up the St. Lawrence in pre-war years, had ranged from 1,750,000 to 2,000,000 tons, and there was every reason to hope for better future results if Canada realized the importance of a National coal policy. The total value of Nova Scotian Mineral production in 1921 was $32,500,000, and this

placed it third amongst the Mineral Provinces of Canada. In this connection the Hon. E. H. Armstrong, Commissioner of Mines, summarized Nova Scotia's advantages as follows: (1) an abundant supply of coal; (2) an exceptional geographical position on the Atlantic seaboard; (3) shipping facilities and opportunities of access to the populous centres of the world for export; (4) remoteness from other sources of supply; (5) thickness and regularity of the coal seams; (6) good quality of coal for steam gas, metallurgical and general purposes; (7) richness of by-products and practical freedom from gas; (8) ample iron deposits and an abundant supply of limestone.

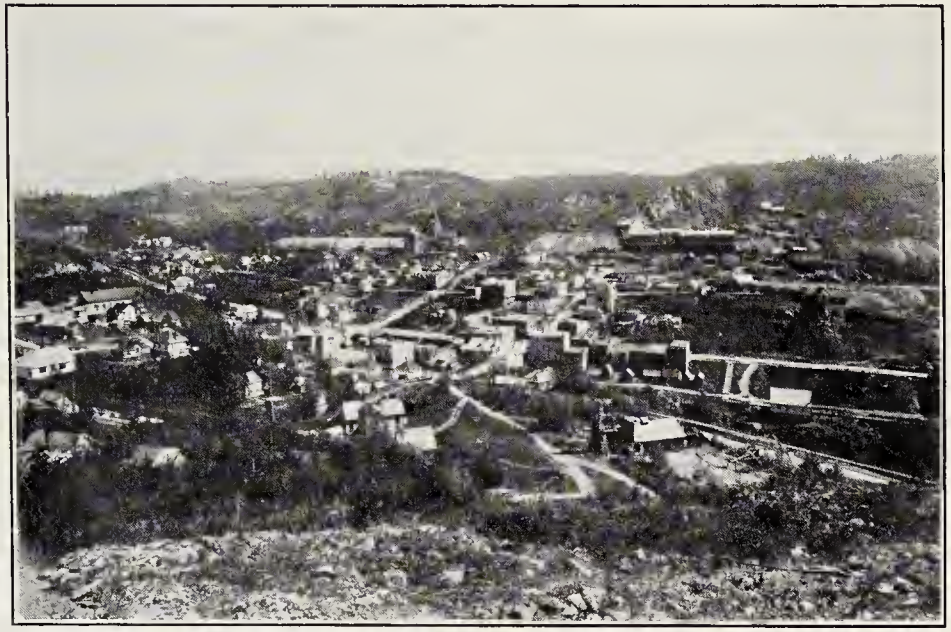
Nova Scotia was the second of the Provinces in its Fisheries—both resources and product. The estimated total in 1921 was $10,250,000, compared with $12,742,659 in 1920 and $49,000,000 for the Dominion in the latter year. Production was greatly curtailed during the first 8 months, largely because of the low prices prevailing for catches. In many districts operations were almost wholly suspended, and the fishermen, whenever possible, engaged in other occupations. Dealers ceased buying. Cape Breton and Guysboro were the hardest hit, with the result that the landings by the handline fishermen were small. Shelburne and Queens were the most favourably situated during the summer season. The lobster fishery was the one bright spot and the regular season of three months from Mch. 1st was the most profitable in the history of the industry, though the total catch was less than in 1920 by 13,000 cases. M. H. Nickerson, ex-M.L.A., was appointed in 1921 to investigate and report upon Provincial Fisheries, and he had issued a preliminary statement as to 1920 conditions on May 28; they were very prosperous in that year with a large catch.

Administration and Legislation of 1921. Mr. MacCallum Grant, LL.D., D.C.L., the popular Lieut.-Governor of the Province, completed his 5-year term in December and received various compliments upon his public and social work and, especially, his War services. The Hon. George Henry Murray, K.C., LL.D., Prime Minister of Nova Scotia, celebrated, on July 20, the 25th anniversary of his appointment in 1896; his health was not very good, and there were rumours of a possible retirement from office; his popularity in the Legislature and in the Province was quite exceptional and more in the nature of personal regard than the usual political loyalty. On May 23rd the Legislature passed a unanimous Resolution regarding this event. It was presented in the old Assembly Chamber where for a century the laws of the Province had been made, the battles for responsible government fought, the traditions of a loyal people preserved and the lamp of British institutions kept alight. R. H. Graham (Lib.) of New Glasgow was the mover and D. C. MacKenzie (Cons.) of Cumberland was the seconder of a long Resolution describing this "unique event" and recording its congratulations in the House *Journals* as to Mr. Murray's "lengthy, untiring and un-

selfish public service"; urging upon the Government some tangible recognition of this service. Other speakers were J. B. Douglas, Hon. R. M. MacGregor, C. W. Anderson, Hon. E. H. Armstrong, Howard Corning, Hon. R. E. Finn.

The speeches paid high tribute to Mr. Murray, his character, his reputation for honour and integrity, his courtesy, good humour and kindliness; Mr. Graham stated that he had twice declined the honour of Knighthood; others dealt with his special devotion to Nova Scotia and its interests. Following the passing of the Resolution, the acting Leader of the Government, Hon. E. H. Armstrong, introduced a Bill providing for a retiring allowance of $5,000 annually, which was the continuance of the salary Mr.Murray had received as Premier; this annuity was only to come into force if and when he retired from office. The measure was received with cheers and passed through its various stages without opposition. After passing the Council the Resolution was presented to the Prime Minister with much ceremony—the Hon. W. S. Fielding coming from Ottawa to greet his successor (1896) in office at Halifax. Cables and telegrams of congratulation were received from H.R.H. the Duke of Connaught, Mr. Lloyd George, Rt. Hon. Arthur Meighen, Mr. Mackenzie King, Lieut.-Gen. J. C. Smuts, Premier of South Africa, Rt. Hon. W. F. Massey, Premier of New Zealand, Sir Lomer Gouin of Quebec, and many others. On July 24, following, the new French Consular Agent in Nova Scotia, Emile Gaboury, presented to Mr. Murray on behalf of the Government of France, and in recognition of his War services, the Decoration of La Reconnaisance Francaise. The official reasons given were the Premier's aid to local mobilization and recruiting during the War, his support in the despatch of food supplies, etc., to the devastated War areas, his Red Cross and Patriotic Fund services. Mr. Murray was already a Grand Commander of the Crown of Belgium.

The only changes in the Government during this year were the appointments, in May, as Ministers without Portfolio, of James Cranswick Tory of Halifax and Montreal, M.L.A. since 1911, and General Manager of Agencies in the Sun Life Assurance Co.; Daniel Alexander Cameron, K.C., of Sydney and M.L.A. in 1916-20—with appointment, also, to the Legislative Council in place of Hon. H. C. LeVatte, resigned; Joseph William Comeau, ex-M.L.A. of Comeauville, Digby. An important matter of the year, which was carried forward from 1920, was the Enquiry into Provincial Highways and their administration. The issue was rather prominent because the Good Roads movement was active in Nova Scotia; the Provincial Association, at its Halifax meeting on Mch. 31, was representative of the Province in urging action; the roads in Cape Breton were said to be in a wretched condition. Under R. H. Murray, President, a large Delegation waited upon the Government and tendered recommendations as follows:



THE CITY OF PHOENIX, B.C.
Which produced $65,000,000 worth of gold, copper and silver between 1900 and 1919; Dis-incorporated and abandoned in 1921 with all Municipal debts and obligations paid.



JAMES J. MORRISON
Secretary of the United Farmers of Ontario and a Leader in the Farmers' Movement of that Province.

1. That the Highways of this Province be administered by a Commission consisting of a Cabinet Minister, a Business man, and an Engineer who should give their whole time to the work of the Board.
2. That the Government take up the matter of uniform assessment throughout the Province on a basis of actual cash value; and that a Municipal Department of Government be established to deal with assessment and other municipal affairs.
3. That a complete system of patrols for the Highways of this Province be immediately organized.
4. That means be taken for the enforcement of the provisions of the Highway law providing penalties for injury and trespass of highways.
5. That wide tire regulations be enacted with a more equitable distribution of money to be expended on roads.

Meantime, the Royal Commission which was investigating Highway matters—Hon. H. Mellish of the Supreme Court, County Court Judge Allan MacDonald and F. W. W. Doane, C.E., Halifax—and which had adjourned late in 1920, met on Jan. 18 and resumed the Enquiry. Hon. A. K. Maclean, K.C., was Counsel for the Provincial Government, C. H. Cahan, K.C., for the Opposition in the Legislature, and J. M. Stewart for the Highways Board. Various engineers and officials of the Board were examined at this and succeeding sessions, including J. K. Kellaher, former Secretary; Hon. H. H. Wickwire, Minister of Highways appeared on Feb. 8 and testified as to his duties and work and his relations with the Board and its operations. The matters under way and involving a yearly expenditure of $4,000,000, were described as follows: (1) Federal Aid projects by contract with Dominion Government whereby the Province was to receive approximately $300,000 per year; 40 per cent. of expenditure to be made on certain roads under acceptable specifications by Federal authorities; (2) a borrowing Bill providing necessary Provincial means for five years to build such roads; (3) roads on which $1,500 per mile was to be expended at the rate of 500 miles a year; (4) machinery purchases for which money was to be borrowed and, as well, the ordinary maintenance account, together with the town and municipal taxes which were to be spent in County of origin.

Percy C. Black, one of the resigned Commissioners, also testified, with G. K. Addie, an Engineer, and others. The Counsel addressed the Royal Commission on Feb. 18. Mr. Maclean argued that the late Board was responsible in all the matters complained of and absolved Mr. Wickwire of all blame; Mr. Cahan made the Minister responsible first and the Board second; Mr. MacG. Stewart held the Engineers chiefly to blame. The Report was unanimous and was made public on Apr. 4, after the Commission had sat 40 days and heard 50 witnesses. Briefly summarized, the conclusions were as follows:

1. The Minister of Highways was exonerated from responsibility and blame: "We think that the Minister was entitled to rely largely on the Board, composed as it was, in a large measure at least, of gentlemen of great ability and wide practical business experience. x x x We cannot find that the Minister was in any way responsible for the awarding

of contracts without the approval of the Board. x x x We do not think it established that the Minister should be held responsible for the acts or omissions of the Chairman of the Board."

2. The Highways Board, as such, was not censured: "We are much impressed with the contentions made by Counsel on behalf of the Board as such. The Minutes of that body, as well as the evidence herein, would indicate that it has done a great deal of good public service."

3. Individuals were censured severely. W. G. Clarke, former Chairman of the Highways Board, was described as not only remiss in his statutory duty as such, but as actively promoting antagonism between the Minister and Board; F. W. Clark, former Assistant Chief Engineer, and in charge of construction in the field, was declared the main cause of the difficulties which arose and as having wholly failed in his duty with evidence that it was his intention that work from the outset should be carried on in the interests of the contractors; J. W. Roland, Chief Engineer, was said to have had too much work and responsibility placed upon him, but his honesty, truthfulness and capacity as an engineer were not questioned.

4. The purchase of machinery was stated to have been made at a proper price and was reasonably necessary, with no evidence of dishonesty on the part of any Minister, official or employee of the Government or Highways Board.

5. The Imperoyal Road was declared to have been commenced without proper authority, but the Chairman of the Board had given his assent for the acceptance of the contractors' tender.

6. The contractors were described as over-paid, with the opinion that responsibility for over-payment should not be thrown on the Minister or the Provincial Auditor; the Commission was not satisfied that evidence had not been wilfully held from their consideration in the interests of the contractors.

7. The quantities of material removed from the St. Margaret's Bay Road and the Port Joli-Sable River Road, as reported in the progress estimates, were greatly in excess of the actual quantities, with F. M. Clark described as responsible.

On Apr. 8 the resignations of Lieut.-Col. Thomas Cantley, Percy C. Black, Major Walter Crowe, K.C., and J. K. Kellaher, as members of the Highways Board, were finally accepted by the Government; W. A. Hendry, Chief Engineer, and R. W. McCullough, C.E., were appointed members of the Board to act with the previously appointed Chairman, A. S. Macmillan. Active work followed throughout the Province, and in August 1,000 miles of highway were under construction; in addition to other funds $700,000 had been allotted, in May, from the Provincial Loan to Municipalities. On Nov. 17 the new Highway bridge connecting Annapolis and Granville was officially opened by the Hon. Mr. Wickwire, Provincial Minister of Highways; the Bridge, costing $317,000, was 2,273 feet in length and the longest in the Province. A. S. Macmillan, Chairman of the Board, claimed that Nova Scotia now had better roads than New England and more bridges than any Province in Canada.

By the close of the year the 1920 expenditures of $3,839,000 had been more than duplicated and were about $4,000,000; it was pointed out that no single manufacturing industry in Nova Scotia, not even excepting the great Steel plant at Sydney, employed as many men as were employed by the Highways Board and their contractors, in reconstructing the roads during the

year. The problem was a large one, because there were 15,000 miles of highway in Nova Scotia with not only construction to handle but maintenance as well; to keep up all these roads, to improve them and to make a complete system adequate for modern transportation requirements, there were less than half a million people.

Another problem of the year was that of Hydro Power development. The 1st Report of the N. S. Power Commission (Hon. E. H. Armstrong, Chairman, with R. H. MacKay and F. C. Whitman) was issued in February, 1921, and covered the period since Aug. 25, 1919. It mentioned estimates of the dependable supply of water-power in the Province for Hydro-Electric purposes at 300,000 h.-p. with current developments of about 26,000 h.-p.; described the importance of the use of Electric power to industry, labour, trade and public utilities; stated that numerous applications for power had been received and that the Commissioners or their Engineers had visited many points in the Province. The St. Margaret's Bay development was described as the most important undertaking in hand. Primarily intended to supply the City of Halifax, the initial installation was of 10,700 h.-p., with expected delivery in Halifax of about 20,000,000 kilowatt hours per annum, and an ultimate installation of about 15,000 h.-p., delivering 30,000,000 kilowatt-hours in Halifax.

This plan had from the first created much discussion; it was thought obvious that the demand existed, that possibilities of real benefit were undeveloped, but reasonably clear, that local rates and prices could be reduced in Halifax and that the capital cost would require Government co-operation. A special Report was obtained from C. H. and P. H. Mitchell, Civil Engineers of Toronto, and construction finally undertaken. Other places where power operations had been investigated or facilitated, included Canning and Bridgetown and Lunenburg, the Bear River pulp and paper interests of Clarke Bros., Ltd., the East River and Sheet Harbour requirements, and the Mushamush River matter and Lunenburg. The 2nd annual Report (Sept. 30, 1921) showed an actual expenditure up to date of $1,560,382, of which $1,510,662 was spent on the St. Margaret's Bay System and the Mushamush System—the latter a project under which the plant at Mahone was to be enlarged from its privately developed 350 h.-p. supply to 1,000 h.-p. or more, to take care of the needs of Mahone, Lunenburg, Riverport and Bridgewater, at a cost of $65,000, for which 30-year debentures were issued, with a further expenditure necessary of $70,000 for line extensions, and additional machinery.

Over the Margaret Bay affair many conferences had been held with representatives of Halifax, but no actual decision as to supply of power to the City arrived at owing to keen local controversies; a proposed contract with the Commission remained unsigned and unaccepted by the City at the close of the year. Meantime, operations had been carried on steadily by the Com-

mission and it was estimated at the close of 1921 that about 8,500 h.-p. was available to the City of Halifax, from a point only 15 miles distant. The plant included two main power dams, with a head of 250 feet of water, and two main storage dams with capacities sufficient to supply water for five months or more. It was proposed to sell this power to the City on a cost basis which would return the Commission's capital expenditure in 30 years, and would permit delivery of power to consumers at a cost of from $25 to $30 per horse power. Other applications and projects were received and under consideration or being practically initiated; at the same time, close co-operation had been established with the Water Power Branch of the Dominion Department of the Interior, and K. H. Smith, Chief Engineer of the N. S. Power Commission, estimated, in December, that about 34,000 h.-p. of Hydro-power had already been installed in the Province as an aid to cheaper manufacturing.

The matter of the contract with Halifax was one of much controversy. Signed by the Commission, it had not been accepted, and the issue lay between two propositions. The first was that under which the Commission would deliver to the N. S. Tramways and Power Co. electrical energy up to 18 million kilowatt hours per year at cost price and the Company was to distribute the current to consumers in Halifax at rates which would be determined by the Board of Public Utilities of the Province—the contract to run for 30 years. The other plan was that the City itself should buy and distribute to all consumers the power as delivered to the North-West Arm by the Commission. The issue was fought out month after month without result; incidentally the old Halifax Power Co., which initiated the development work now completed by the Power Commission, was claiming $500,000 damages from the Commission. In March the Government appointed a Special Commission to enquire into the relations of Halifax with the N. S. Tramways and Power Co.; A. J. Campbell, K.C., was Chairman, and nominated by the Chief Justice of Nova Scotia; R. McColl was nominated by the City and T. Sherman Rogers, K.C., by the Company.

Meantime, in the City Council, the fight was waged bitterly between the advocates of public ownership and distribution of the power and those in favour of private control, as represented by the Contract and the Tramways Company—with the latter people accorded the usual designations of "big interests," grasping monopolists, and selfish manipulators of a public utility. The Halifax *Herald* took the latter view and opposed the contract with vigour. The N. S. Tramways had an expert investigate the whole Power situation from their standpoint; the opponents of the Contract, in June, appealed to Sir Adam Beck and sent J. J. Jeffrey, a consuling Engineer, to Toronto, to enquire into conditions from the public ownership viewpoint; various conferences followed between Government, City, Tramways and Commission; the Power Commission was willing to discuss any prac-

ticable plan acceptable to the City, and Hon. Mr. Armstrong (June 25) declared that under the Contract he saw no reason why, at the end of 30 years, when the City, under a service-at-cost plan, would have paid the total cost, including capital charges of all kinds, the City should not own the development outright.

P. R. Colpitt, City Electrician, declared (June 29) that, by themselves utilizing the Hydro power generated at St. Margaret's Bay, the citizens of Halifax could have a modern street-lighting system at a cost of $12,500 a year instead of the unsatisfactory one for which the Tram Company was charging the citizens $30,000 a year. On July 14 the Power Commission, in reply to certain questions asked by the City Council and which, it pointed out in a long communication, had already been answered, reviewed the whole situation in a most fair and dignified form. On Aug. 6 the Commission asked the City for an early and definite decision as to taking power from the Commission or otherwise; on the 18th a Majority Report of a Civic Committee reported in favour of the Commission selling direct to the Tramways Co. and a Minority Report proposed that the City take over the power; by 9 to 8 votes, on the 19th, the City Council decided to purchase the power direct from the Commission, and on Sept. 2nd a motion for reconsideration was defeated by 10 to 6; Alderman J. W.Regan was a leader against the Civic power idea and he urged, on Nov. 10, in a letter to the Mayor, that any Contract between the City and the Commission should contain a definite price for the power and a Provincial Government endorsement of the Commission's guarantee.

On Nov. 16 the Council changed completely around and decided, by a vote of 10 to 8, to refer the Hydro Electric matter back to a Special Committee, with instructions to negotiate with the Tramways Company and to ascertain on what terms the Company would distribute the power from St. Margaret's Bay, and, also, to resume negotiations with the Power Commission; this Committee continued what seemed to be an indefinite discussion of the proposals and a third proposed Contract which now was before it. No settlement was arrived at. By the close of the year the Tramways Company was showing a distinct improvement in business. Net earnings for the 12 months ended Dec. 31, amounted to $181,638, against $87,629 for the year 1920; they only fell short of interest requirements by about $800, whereas in the previous year there was a deficit of $84,000.

Temperance matters saw the usual discussions with varied convictions for bootlegging and similar offences. As a result of the Plebiscite of November, 1920, the Province, on Feb. 1st, had become "bone-dry" with the sale of liquor prohibited except by the Government for medical, scientific and industrial purposes. In the Halifax Police Court, on Feb. 6, fines to the amount of $2,400 were imposed on five defendants convicted of violation of the Nova Scotia Temperance Act, and of wholesale boot-

legging, with $25.00 asked for a gallon of rum. On Mch. 21 the Board of Vendors' Commissioners of Nova Scotia was appointed to consist of Wm. R. Wakely and Clifford P. Wood, Halifax, and Arthur Proudfoot, Hopewell—with Mr. Wakeley as Chairman.

A Cape Breton delegation told the Government, on July 19, that there was an organized liquor ring in Sydney and vicinity which required a competent official to cope with their illicit traffic, and that the condition of affairs in the mining towns, as to enforcement of the Temperance Act, was desperate and demanded remedies out of the ordinary; they asked for the appointment of George Rideout, as Municipal Inspector; but as Hon. Mr. Murray pointed out, the City Council of Sydney had turned him down and enforcement was a municipal affair. At Gabarus Bay, near Sydney, on Oct. 11, a long-suspected ramification of the North Atlantic liquor smuggling trade was uncovered at midnight by Capt. Bragg of the Revenue cutter *Restless,* and he, almost single-handed, surprised and captured the American schooner *Vagrant* with $15,000 worth of liquor on board. On Nov. 22nd 650 gallons of choice French wines, valued at over $16,000, were the prize for which smugglers and revenue officers engaged in a pitched battle on the beach at Mainadieu, 50 miles from Sydney; eventually the smugglers were overcome and their schooner captured. It may be added that the 1920 Report as to the operation of the N. S. Temperance Act showed Official vendors in Halifax, Sydney, Amherst, Glace Bay and nine other places with $288.463 worth of sales reported.

The usual Government reports were issued in 1921 dealing with the affairs of the previous year. Hon. G. H. Murray, Prime Minister and Provincial Secretary, reported through M. Cumming, B.A., B.S.A., LL.D., Secretary of Agriculture, as to that interest and the matter of incorporated Companies, with various fees and statistics, was dealt with through A. S. Barnstead, Deputy Provincial Secretary. The Department of Public Health and inspection of Rural Telephones; the work of the Secretary of Industries and Immigration (W. B. MacCoy, K.C.) and the annual Statement of the Agent-General for Nova Scotia—John Howard; the Game Commissioners' Report and those on Vital Statistics and the N. S. Temperance Act operation; the Public Utilities Board and the Workmen's Compensation Board were all dealt with under Mr. Murray's jurisdiction.

The Hon. O. T. Daniels, Attorney-General and Commissioner of Crown Lands, reported as to the latter subject and regarding Neglected and Delinquent Children. The Hon. E. H. Armstrong, Commissioner of Public Works and Mines and King's Printer, dealt with these subjects and Factory inspection, with, also, the Nova Scotia Hospital, the N. S. Sanatorium and the Victoria General Hospital and other Humane Institutions. The Provincial figures of Mines in 1921, as given by Hon. Mr. Armstrong, Minister, for the year of Sept. 30, showed a Coal output

of 5,373,230 long tons with 12,276 men employed in the Collieries; 1,860,671 tons were distributed in Nova Scotia—a decrease of 584,524 tons—8,444 tons were shipped to the United States, as against 24,439 tons in 1920; 903,136 tons were shipped to St. Lawrence markets, compared with 240,071 tons in the previous year. Gold production was still further reduced to an almost vanishing point, while Bricks produced numbered 11,993,790; the drain-pipe and tile totalled 826,253 lineal feet, Benzol was 389,499 Imperial gallons, and Tar 3,618,400 gallons; Pig-iron product totalled 158,611 short tons, Steel ingots 203,662 and Coke 233,799 tons. The revenue from licenses, royalties, rentals, leases, etc., was $635,577.

The Report of the Board of Commissioners of Public Utilities—John U. Ross, R. T. MacIlreith and P. R. Colpitt—for the year of Dec. 31, 1921, showed 355 Public Utilities reporting to the Board as against 298 in 1920—the former including 262 Telephone, 51 Electric Energy, 36 Water, 5 Tramway and 1 Gas Services. During the year the Board, "feeling itself unable to deal satisfactorily with either the rates or security issues" of the N. S. Tramways and Power Co., Ltd., in the absence of definite information as to value of equipment, etc., issued an order directing a special valuation and appointed Jackson & Moreland, Engineers, of Boston, with W. B. McKenzie, C.E., of Moncton, to make the enquiry. Many and varied applications were made to the Board, including 9 dealing with the issue of securities, and the result was a volume filled with the decisions made—Special hearings being given at 24 centres.

The N. S. Workmen's Compensation Board reported for 1921 to Hon. Mr. Murray by the Commissioners—V. J. Paton, Chairman, F. W. Armstrong, Vice-Chairman, and John T. Joy. The Report showed 5,326 accidents, of which 48 were fatal with 131 resulting in permanent disability; the total number compared with 8,254 in 1920, 6,459 in 1919, 7,665 in 1918 and 7,175 in 1917. Those subject to compensation were estimated at 4,400 for 1921 with a cost of $945,689, compared with 6,143 in 1920 at a cost of $1,372,983. The causes of the decrease were (1) wages of $53,000,000 paid instead of the $73,000,000 of 1920; (2) fewer employees and more experienced ones available or retained; (3) the safety work done by the N. S. Accident Prevention Association and by several large Corporations. The total assessment made upon employers in 1921 was $1,092,267, but with a surplus of $538,011 in 1920 and a good accident record in 1921, the actual amount would be much less when final adjustments were made. The Income was $1,381,092, and the Expenditure $945,689, with provisional balances of $435,402. On Dec. 31, 1921, the Board had investments of $3,620,581, which were held for Pension reserves, disaster reserves, and interest.

In April, 1921, there appeared the Report of the Commission appointed in 1919 to enquire into Mothers' Pensions or allowances and advise, if possible, as to a practicable scheme

for the Province—John McKeen (Chairman), Jane B. Wisdom, Ernest H. Blois and A. T. MacKay, Secretary. It reported a large amount of literature on the subject with special aid from the Children's Bureau of the Labour Department at Washington and a Report by W. A. Riddell of the Ontario Department: "After a careful study of all available information, your Commissioners find that the system of granting governmental aid to indigent mothers with young children, deprived of a father's support, is universally approved, and already in 5 Canadian Provinces (viz.: Manitoba, Alberta, Saskatchewan, British Columbia and Ontario), a system is in operation as well as in 39 States of the American Union and in the Territories of Alaska and Hawaii. Of the remaining 9 States, Bills have been under consideration in at least five. Outside of America, Denmark and New Zealand have notable examples of successful legislation of this nature." It was added that "with considerable variation in application and administration, the basic principle has been found to be the conservation of child life, as a matter of public concern, rather than sentiment or benvolence in regard to the mother deprived of a bread winner. Without recognition of this principle as fundamental, it would seem that any scheme is likely to prove inconsistent with sound public policy." The chief recommendations were as follows:

1. The mother must in every respect be a suitable guardian for her children; the children must be in the immediate care of their mothers.
2. Allowances to be paid only when the children are under the age of 16 years.
3. Payments only to families of British subjects; the mother and children to be resident in Nova Scotia at the time of the death or total disability of the father; the mother actually resident in Nova Scotia at the time of application for such allowances, and for a period of not less than two years immediately previous; continued residence in Nova Scotia of the mother and children while in receipt of such allowance.
4. The Act to be administered by a Minister of the Crown assisted by an Advisory Commission of not less than 5 members of whom 2 should be women.
5. The maximum amount of any allowance to be $60.00 per month.
6. The beneficiaries of such allowance to include widows with (a) two or more children; (b) one child; the wife of a man who is totally disabled; the wife of a man who is the inmate of an insane asylum or under sentence in a penitentiary; the wife of a man who has deserted his family; unmarried mothers.

The average cost per family was estimated at $35.00, and the sum of $150,000 as being sufficient to initiate the scheme in Nova Scotia. Incidents of the year included an Interim Report reviewing the work of the Halifax Relief Commission for 1921, issued by Mr. Justice T. Sherman Rogers, Chairman, and Judge W. B. Wallace, Vice-Chairman; the report covered the various activities of the Commission with respect to pensions, rehousing and the great restoration and reconstruction work carried out in the devastated district. As a result of the 1918 catastrophe 900 persons were still drawing pensions or allowances and of these 200 were widows and 425 children; there were 70 cases of

general disability and 140 of eye injury with 28 cases of total blindness; in the 4 years since the disaster $1,000,000 had been expended and the Pension Fund, now required and available, was $2,500,000; the progress of reconstruction and re-building of streets in Halifax had latterly been slow on account of the cost of labour; in view of Pension requirements this, now, could only be done as an investment.

In Halifax, during October, Sir Richard Squires, Premier of Newfoundland, pledged a grant of $5,000 to the local School for the Blind; on July 14 one of the finest statues erected in Nova Scotia in memory of men killed in the Great War was unveiled at Middle Musquodoboit; at Bridgetown (Nov. 17) the big Highway Bridge connecting Annapolis and Granville was officially opened by Hon. H. H. Wickwire, Minister of Highways, who stated that the bridge was 2,273 feet in length and had cost $317,000; the Report of the Public Health Department, in December, 1921, pointed out that the Province's death rate was usually from 14 to 16 per 1,000 of population, compared with Ontario's rate of about 12 or lower and other Provinces with about half of Nova Scotia's rate, and stated that 40 per cent. of the Nova Scotian death rate was due to preventable diseases—whooping cough killing an average of 70 persons a year; the annual meeting of the Nova Scotia Liberal Association elected Henry G. Bauld, M.L.A., as President.

The following Government appointments were made during the year: Sheriff of the County of Yarmouth, Harry K. Lewis of Yarmouth; King's Counsel, René W. E. Landry of Yarmouth and Colin MacKenzie of Sydney; Accountant-General of Supreme Court, William A. Major of Halifax; Member of the Provincial Medical Board, Dr. E. E. Bissett; Member of the Advisory Board of Education, W. A. Creelman of Sydney; Commissioner of Forests and Game, James A. Knight, K.C., of Halifax. M. K. Ellis was elected President of the N. S. Fruit Growers' Association, and W. J. O'Hearn, K.C., President of the N. S. Barristers' Society. Other incidents were the opening, on Jan. 19, of the handsome and well-equipped Hospital for the Insane built at Stellarton for Pictou County by a local Commission headed by James A. Fraser, and the sale by the N.B. Fraser Pulp and Lumber Co. of 50,000 acres of Timber land in Digby and Yarmouth Counties to the Nova Scotia Timberland Co., Ltd., with a capital of $500,000.

The Nova Scotian Legislature; The Budget of 1921. The 1st Session of the 37th General Assembly of Nova Scotia was opened by MacCallum Grant, Lieut.-Governor, on Mch. 9, with a Speech from the Throne which first referred to this as a year marking the 300th anniversary of the grant by King James I of the Charter of Nova Scotia, and stated that the Government would place a Memorial Tablet at Annapolis Royal, the ancient capital of the Province. His Honour then referred to the question of combined action by the Maritime Provinces in respect

to more equitable financial arrangements with the Dominion; stated that despite the world depression the Province was enjoying a fair measure of prosperity, but that any "curtailment of production in the coal, iron and steel industries resulting from these conditions would seriously affect every line of activity in the Province"; reviewed conditions during 1920 in Mining, Agriculture, Fishing and Lumber; described the improving situation in respect to Education with an "increased number of schools in operation, larger enrollment of pupils, better attendance at school and a general increase in teachers' salaries."

The Lieut.-Governor also eulogized the Technical College and expressed gratification at Federal aid and co-operation; referred to the initiation of a forward programme in respect to Public Health as effecting, it was hoped, a material reduction in preventable diseases and a corresponding saving of life; dealt with the progress made in St. Margaret's Bay power developments and anticipated that this development would soon be so far completed as to enable the Commission to deliver in the City of Halifax electrical power upon very advantageous terms, while the Commission had, also, rendered valuable assistance to a number of municipalities desirous of securing a further supply of electrical energy; expressed pleasure at co-operating with Ottawa along Immigration lines and stated that under the terms of the Housing Act six municipalities had availed themselves of the loans provided for the erection of dwelling-houses, to an amount of over $600,000; mentioned the opening of 4 Employment offices under agreement with the Ottawa Department of Labour.

The Address was moved by J. W. Macdonald of Pictou and A. D. Burris of Halifax and passed, in due course, without division. In the Legislative Council the Address was moved by Hon. C. P. Chisholm and Hon. H. C. V. Le Vatte and passed without division; Henry S. Le Blanc and Simon Joyce were sworn in as Members of the Legislative Council. The House, as it stood during this Session and following the Elections of 1920, contained 28 Liberals, 6 Farmer members, 5 representatives of Labour and 2 Conservatives; the Government, therefore, had an assured position. Robert Irwin, Shelburne, was elected Speaker and Howard E. Corning, one of the two Conservatives, acted as Leader of that party.

Incidents of the Session included a largely signed Petition presented by Hon. Mr. Daniels from the people of Bear River and vicinity, asking for immediate development of the water-power resources of that part of Western Nova Scotia; the statement by the Halifax *Chronicle* (Lib.) on Apr. 22, that "the Labour group scarcely seem to have realized, as yet, the fact that the Provincial Assembly is not a meeting of Union delegates, which can proceed by resolution, without regard to antecedents or consequences, but a highly important law-making

body"; the debate on the Highway enquiry, which took place on May 18, with an elaborate speech from Hon. Mr. Wickwire and a declaration that "the Highway programme had not broken down. despite the high-handed action of the Highway Board, and despite the fact that they had thrown a wrench into the machinery"; the defeat of a measure allowing the sale of Beer and one proposing an 8-hour day; the passage of a long Resolution as to Freight rates which re-capitulated the history of the Intercolonial and specified Canadian and Imperial Government guarantees as to not demanding any return on capital for its construction.

It was then stated that there had, within the past few years, been heavy annual deficits in the maintenance and operation of the System; that, because of such deficits, freight and passenger rates on the Canadian Government Railways—including the I. C. R. and its branches—had been so greatly increased as to militate against access to the markets of the West upon conditions favourable to the natural products and manufacturers of the Maritime Provinces: "Faithful observance of the terms and conditions of the compact of Confederation and a generous National spirit require that the convenience, accommodation and welfare of the people and of the industrial interest of the Maritime Provinces be steadily kept in view as the primary purpose to be achieved in the administration of the Intercolonial Railway." Legislation of the Session included a Bill to regulate the practice of Optometry and provision for the establishment of a Government Purchasing Bureau which, it was hoped, would ensure greater efficiency and economy in the supplies purchased for Departments and institutions; there was, also, an Act to provide for the Municipal establishment of Prison Farms. The Hon. O. T. Daniels carried a Bill consisting of a number of amendments to the Nova Scotia Temperance Act—the main purpose being to straighten out a number of clauses of the Act as it stood. But it was a greatly changed measure when it passed out of the House with every clause giving the slightest or fancied loophole for increased facilities in drinking, eliminated—the most notable being the proposals to increase the amount of a prescription from 12 ounces to 24 ounces; to grant veterinary surgeons the privilege of keeping on hand one quart of liquor, and to give druggists permission to sell up to four ounces. The changes in the end were largely technical.

The British Empire Steel Corporation Bill to ratify agreements entered into by the shareholders of the Dominion Steel Corporation, Ltd., and the N. S. Steel and Coal Co., Ltd., in the transfer of their stock to the B. E. S. Corporation, passed after much debate in which the House was ranged unanimously behind a protection of the resources of the Province from anything in the nature of a stock manipulation which might prejudice its greatest assets—the coal fields. The Hon. Mr. Armstrong was responsible for the measure, and he declared that no steps should

be taken by the Legislature which would alarm capital; he would not say that watered stock was right, but urged caution in restricting stock issued as a bonus; the Dominion Coal Company would never have been formed had such bonus stock not been issued. Hon. R. E. Finn (Lib.), H. E. Corning (Cons.), and A. F. Way (Lab.) all opposed the Bill from different standpoints with alleged watered stock, however, as the central subject. Hon. R. M. MacGregor* voted for the Bill and the Merger because he thought the latter would bring to an end the differences so long existing between the two Companies as to areas and that the time had come when the combination of these two great Steel concerns was necessary to meet the competition of the world and to increase exportation. The measure finally passed.

Other items of legislation included Mr. Daniels' Bill amending the Game Act with the object of appointing a Commissioner of Forests and Game and making a number of changes in fees and licenses so as to increase the revenue of that Branch and to better carry on the work of game and forest preservation. The duties of the Commissioner were to include conservation and protection of the forests from fire; preservation and propation of game and game fish; dissemination of information regarding the forests and game conservation. The Fisheries Act was amended to bring it into line with the Dominion Act. All non-resident fishermen must have a license or meet a penalty of $25 up to $50; only rod and line fishing were to be permitted in the navigable waters of the Province. Another Bill amended the Land Tax Act so as to increase the Tax from $1.00 to $3.00 per acre on about 3,000,000 acres; persons possessing more than 500 acres were subject to the taxation and the Government was given power to appoint one or more Provincial Land Assessors.

The N. S. Tramways Bill was for the purpose of placing that Company under the Public Utilities Act in order that it might be in a better position to finance expiring notes and desired improvements. R. E. Finn opposed the Bill, on the ground that the Company had a contract with Halifax City and that there was a Commission appointed, under legislation of the House, to investigate the matter of tramfares. He contended that the Company was loaded down by securities and that it was a bankrupt concern waiting to be bolstered up. J. B. Douglas claimed that the proposed Bill would save the Company from insolvency, enable it to borrow $2,000,000 of which $1,000,000 would go toward refunding notes maturing in short time, and the other $1,000,000 for extensions and paving.

Another Bill consolidated the Acts relating to Taxation of Corporations such as Railways, Banks, Insurance Companies, etc., and defined or altered the rates of taxation. An Act was passed compelling Registration of Partnerships and defining the

*NOTE.—In the 1920 volume of *The Canadian Annual Review*, Mr. MacGregor, through a clerical error, was stated to have been defeated in the General Elections—although his name appeared just above the statement in the list of elected Members.

meaning of the term with the qualifications necessary for a certificate; another measure provided for registration and transfer of shares, bonds, debentures, and other securities. The title of the Commissioner of Public Works and Mines was changed to that of Minister; a proper inspection of Steam Boilers was enacted; the establishment of a Government Purchasing Bureau and Agent under the supervision of the Minister of Public Works was provided for; an Act was passed to consolidate and revise the Public Statutes of the Province, and another Act regulating Collective Agencies; the Incorporation of owners of Fishing vessels was facilitated. Provincial loans were authorized for Highways—$350,000—and for Victoria General Hospital —$500,000. The N. S. Companies Act was passed with lengthy and elaborate clauses and conditions as to registration, names, articles, and provisions of incorporation, shares, calls and Profits, increase or reduction of capital, liability, management and administration, Directors, contracts, mortgages, Prospectus conditions, commissions and discounts, Debentures, inspection and audit, penalties, etc., bankruptcy.

The Mines Act was amended and consolidated to define explicitly the duties of inspectors and deputies; conditions as to license or lease, assignment, royalties and rentals; forfeiture of lease of unworked areas and protection of the latter; entry on private land, arbitration as to compensation, registration and special operation of gold and silver mines with surveys and licenses; operation of mines other than gold and silver with first and second licenses and leases, exchange of areas and surveys, barriers and permits to submarine areas, returns and mill licenses; the power and functions of the Minister. The Medical Act was amended to define the position and scope of practitioners, to provide for registration of medical men and to admit Osteopaths to registration after 5 years' practice of the profession; the Pharmacy Act was amended and the Corporation Act changed so as to impose a yearly registration fee on capital of $10 on $5,000 up to $200 on $1,000,000 for domestic companies, $50 on $10,000 up to $200 on $500,000, with certain specified exceptions and modifications for external Companies.

An Act was passed on the last day of the Session—though opposed by Hon. Mr. Armstrong, acting Premier, and others—which provided that any equities in a certain gypsum property in Victoria County, at the time of the passing of the Act, except the interest of Jane McNeil, should be null unless an action to establish such rights was commenced in the Courts of Nova Scotia within one year from the passing of the Act. As the property had been adjudged by the Supreme Court at Ottawa, on appeal, to belong to the creditors of Sparrow & McNeill, Montreal contractors, this was alleged to interfere with vested rights. Another measure dealt with institutions for the treatment, care and custody of Insane persons and authorized the Government from time to time to erect, equip and maintain one

or more Hospital centres, psychopathic Hospitals and Convalescent homes.

The annual Budget, in the absence, through illness, of the Hon. George H. Murray, was delivered, in May, by the Hon. J. C. Tory. It was a most comprehensive statement, including much new data, and attracted considerable attention. He discussed the history of the revenues of Nova Scotia since Confederation and stated the increase in the estimated total for 1921 at $728,043, or nearly the average annual revenue of the Province during the 40 years following 1867. He estimated the revenue for 1921 at $4,555,555—passing the four-million mark for the first time in the history of the Province; the increase was very largely derived from Banks, Insurance, and other financial corporations or, as far as possible, from those most able to bear the burden. The Receipts for the year of Sept. 30, 1920, had been $3,801,016; the Expenditures were $3,893,724, leaving a deficit of $92,708. Mr. Tory summarized the sources of the revenue and the chief items of expenditure as follows:

Sources of Revenue

(1) Federal Subsidy.		
(a) Allowance for Government... Allowance for Population Debt Allowance	$636,666.86	or 17 %
(2) Revenue from Property Owned.		
(a) Mines	690,517.72	18·4%
(b) Interest	209,866.31	5·5%
(c) Crown Lands	52,877.97	1·1%
Total	$ 953,262.00	or 25·3%
(3) Revenue from Taxation.		
(a) Municipal Road Tax	324,515.42	8·6%
(b) Motor Vehicles Taxes	266,214.65	7·
(c) Income Tax on Corporations	263,378.30	6·9%
(d) Fees from Corporations	235,208.31	6·2%
(e) Succession Duties	195,600.00	5·
(f) Theatres	183,312.23	4·8
(g) Land Tax	32,573.87	·8
(h) Sundry Tax Items	27,783.10	·5
Total	$1,428,585.08	or 39·8%
4) Revenue from Public Services.		
(a) Hospitals	506,364.71	13·3%
(b) Education	105,645.80	2·8
(c) Agriculture	28,040.57	·5
(d) Sundries	42,450.24	1·4
Total	$ 682,501.32	or 17·9%
Grand Total	$3,801,016.06	100 %

Chief Items of Expenditure

Roads and Bridges	$ 971,252.95	or 25 %
Charities	821,593.16	or 21
Interest	616,642.67	or 16
Education	545,048.48	or 14
Civil Government	213,115.46	or 5·4
Agriculture	118,162.13	or 3
Sinking Fund	103,489.59	or 2·7
Steamboats	82,225.51	or 2·1
Sundries	80,774.74	or 2·
Miscellaneous	72,019.29	or 1·9
Public Buildings	63,107.11	or 1·7
Public Printing	45,075.50	or 1·2
Immigration	39,816.63	or 1·
Criminal Prosecutions	19,714.77	
Vital Statistics	11,241.04	or ·8
Provincial Museum	2,440.87	
Total Expended on Expenditure Items	$3,805,689.90	or 97·8%
Expenditure on Revenue Accounts.		
Mines	59,156.78	
Crown Lands	12,796.66	
Theatres	10,321.70	
Game Licenses	4,843.21	
Succession Duties	916.31	
Total Expended on Revenue Items	88,034.66	2·2%
Grand Total	$3,893,724.56	100%

Referring to the Provincial Debt, Mr. Tory stated that during the War period the Debt of Nova Scotia, with the exception of P. E. Island, showed the smallest increase of any of the Provinces—the total gross increase being $4,400,000. The gross Debt was $17,811,330, the net Debt being only $10,589,613. The total borrowings for 1921 amounted to $3,858,000 and were chiefly spent upon the construction of permanent roads and the development of Hydro-electric power.

Educational Conditions in Nova Scotia. The Report of A. H. MacKay, LL.D., F.R.S.C., the able Superintendent of Education in Nova Scotia for many years, showed a general advance for the year ending June 30, 1921; during that period the number of schools increased by 63, the enrollment of pupils by 1,387, the total days' attendance by 1,436,503 days; the number of Sections without schools was 13 less than in 1919-20 and Teachers' salaries rose in accordance with grade: "The Inspectorial Training Course of four weeks for untrained teachers was attended by 594 as against 331 the previous year; the Provincial Normal College graduated 241 trained teachers as against 228 in 1920; the Rural Science School Course of four weeks at the Normal College of Agriculture, Truro, graduated 137 as against 108 the previous year."

The Superintendent made this reference to special matters: "A number of activities which are being carried on locally, and quite independently of this Department, are of such importance as to merit a reference in this Report. One of these is the Well Baby Clinic at New Glasgow which is doing splendid work. The School Dental Clinics of Halifax, New Glasgow and Sydney are also deserving of commendatory notice. In Dartmouth and Halifax unusually well-equipped and competently staffed Health centres are being maintained by the Massachusetts-Halifax Health Commission, where the value of health work of an advanced type is being demonstrated on an extensive scale." The Public Health Department was described as doing effective work with the 4 special nurses of 1920 developed into 16 and the schools as their chief scene of operations. The following tables, showing a 30-year's advance in Educational matters, was made public:

General Statistics	1891	1921	General Statistics	1891	1921
Teachers	2,229	3,089	Municipal Assessments	$118,301	$495,242
Pupils	83,458	109,483	Provincial Sources	213,906	576,591
Daily present	49,347	73,238	Total cost	725,284	3,442,546
Per Cent	59·0	66·9	Cost per pupil	14·69	47·04
Local Assessment	393,077	2,370,712			

Salaries	Male	Academic	Class A	Class B	Class C	Class D
1891			(	$448)	$260	$185
1921		$1,882	$1,471	$1,074	791	471
	Female					
1891				$286	$223	$163
1921		$1,291	$907	687	557	431

Between 1918 and 1921 the expenditure on Schools had risen by over $1,500,000. In 1921 the Schools in operation numbered 2,898, the Teachers 3,089—of whom 1,598 were Normal-trained; the new Teachers 599; the attendance of Pupils in the 1st quarter was 95,051, in the 2nd 101,773, in the 3rd 105,084, in the 4th 109,483; the Pupils in High School grades numbered 9,705, in Public Schools 109,483 and in Technical Schools 3,399; of the latter 241 were in the Normal College, 137 in Rural Science

School, 73 in the Regular and 480 in the Short Courses in Agriculture, 33 in the N. S. Technical College, 2,042 in the Evening Technical Schools and 393 in the Coal Mining Schools; the total attendance in all Schools was 112,882. In finances, there was $158,174,112 worth of property in the Sections, $6,500,570 of School property, $2,370,712 of a total Section vote and $491,515 spent by Sections in repairs; of the Expenditure $453,373 went on general education, $112,764 on Technical, $10,453 on Rural Science, $495,242 from Municipal School Fund and $2,370,712 from Sectional School assessments. Incidents of the year included a subscription of $5,000 from Lord Beaverbrook toward the Foundation Fund of the County Academy, Pictou; a demand from the United Farmers' Convention at Truro (Mch. 23) for a more adequate system of Common School (rural) Education; a statement by the Superintendent (Dr. MacKay) that the new School textbooks of the Province were being supplied by T. Nelson & Sons cheaper than any other Publishers could undertake it on account of old plates which they were able to use.

Nova Scotia Institutions of Higher Education. Dalhousie University, Halifax, as the result of its drive for funds in 1920, amounting to $2,250,000, was enabled, in 1921, to develop materially and to complete some cherished schemes of expansion. As to buildings, a fireproof Wing was added to the Macdonald Memorial Library with a capacity of 125,000 volumes; a companion building to the Library was finished during the year. It was dedicated to the Faculty of Law on Apr. 23, 1921, when the Corner-stone was laid by George S. Campbell, LL.D., Chairman of the Board of Governors, with the identical trowel used by the Earl of Dalhousie in laying the corner-stone of the first Dalhousie building over a century before. Temporarily, the building was used for the Faculty of Arts. Shirreff Hall, a splendid structure costing $300,000, was well under way and was to be utilized as a residence for women students when finished; the erection of a building at a cost of $150,000 for Medical purposes, Bio-Chemistry and Physiology had also been commenced.

The $300,000 given by Mrs. E. B. Eddy, during her lifetime, for Shirreff Hall was supplemented, in her will, by a further sum of $350,000, and, through the death of Mrs. D. A. Campbell, the University also came into possession of the estate of the late Dr. Campbell which completed the endowment of the Campbell Memorial Chair of Anatomy. In September the announcement was made by the Board of Governors that Prof. Henry Munroe, of the Law School of Columbia University, New York, had been appointed Professor of Political Science and International Law, in the chair established and endowed by the late Senator Dennis. Other new courses added at the commencement of the same term were in American Literature and Spanish. Outside, the University undertook to carry on a series of Extension lecture courses given by various members of the Staff, in leading Maritime towns, on subjects of current interest.

Other incidents of the year were the award to C. A. Mackay, M.A., Truro, of the Science Research Scholarship by His Majesty's Commissioners for the Exhibition of 1851 in London, which carried with it a value of $1,000 a year and was tenable for 2 years—a notable fact in connection with this award being that only 4 Universities in Canada had the privilege of a nomination and, in 1921, only 20 Scholarships had been allotted for nominations from 28 Universities throughout the British Empire; the donation, by W. H. Dennis of the Halifax *Herald*, to the University of $600 annually as Prizes for the best prose or verse contribu-

tion to be known as the Joseph Howe Prize and for an Essay to be known as the James De Mille English Essay Prize; the inauguration on Nov. 9 of a series of lectures arranged under the auspices of the Commerce Society of Dalhousie University for the benefit of business men in Halifax—the course covering Modern Retailing, Shipping, Insurance, Banking, etc., from practical and historical viewpoints. For the College year, 1920-21, the total number of students was 677 of whom 103 received graduate and post-graduate degrees on May 14.

Acadia University, Wolfville, suffered, as the result of a destructive fire, at the end of 1920, but had immediately initiated a $1,000,000 Endowment campaign. The Treasurer's Report for the year ending July 31, 1921, showed an increase in the Trust Funds of $91,917, bringing the total up to $770,149 and total Assets of $1,566,552. The students registered at the University in 1920-21 were 333 of whom 41 graduated B.A. and 8 B.Sc. in May, 1921. At the 1921 Convocation the Honourary degree of D.D. was conferred upon Austen T. Kempton and Maynard W. Brown. A number of appointments were made to the Staff during the year, including R. A. Conant, B.A., as Professor of Romance Languages; William M. Rau, M.A., as Professor of Geology; Chester E. Kellog, M.A., PH.D., as Professor of Psychology and Education; Miss Edith M. White, Dean of Women and Instructor in Social Science.

The University of St. Francis Xavier, Antigonish, from Jan. 17 to Mch. 12, carried on a notable and highly successful experiment in Extension work under the direction of the Vice-President, Rev. J. J. Tompkins, and his Staff. By means of these free Classes, higher education was made available to many young people who had left school in their early teens and 53 students took the Course, varying in age from 16 to 57 years—very few of whom had previously attended school after the 6th grade; such general appreciation was expressed that it was decided to continue the Course the following year. The curriculum included Agriculture, Veterinary Hygiene, English, Commerce, Commercial Law, Arithmetic, Mechanics, History, Political Economy and other subjects. The total registration in 1920-21 was 197, including 29 women, and of these 28 graduated as B.A. At the Convocation,on May 17, one received the M.A. degree and on Augus G. MacDonald, Inspector of Schools in Antigonish, was conferred the Honourary degree of LL.D. On Dec. 8, 1921, it was announced that the College had been named in the will of Dr. Neil McNeil as the ultimate beneficiary of an estate valued at about $1,000,000, which, however, was to be held in trust for certain-named heirs during their lifetime.

The oldest University in Canada, King's College, Windsor, which dated back to a Royal Charter in 1791, entered on a new policy of expansion in 1920-21. His Honour MacCallum Grant, Lieut.-Governor, on May 12, 1921, laid the corner-stone of a new Building to replace the one which was destroyed by fire in 1920. On Mch. 30, the following gifts were announced by the Executive of a Million Dollar Campaign Fund for King's College: Chief Justice R. E. Harris of Nova Scotia, $50,000; J. W. Allison, $25,000; other donations $6,000. The students in attendance, 1920-21, numbered 146. At the annual Convocation (May 8-14) 29 Academic degrees were conferred on students, and also the Honourary degree of D.C.L. upon President N. M. Butler of Columbia University, N.Y.; Lieut.-Governor Grant of Nova Scotia; R. A. Hiltz; R. W. Norwood; G. H. Bolt; E. M. Stires.

The Provincial Normal College at Truro had an attendance of 248 students in 1921. Special attention was paid to Rural Science and, early in April, the Faculty chose 42 students of its senior classes for special study in this connection. On July 5th a 4-weeks' course, conducted by the combined Normal and Agricultural College Staffs and assisted by experts from outside, was held, enrolling in addition to most of the 42 students above mentioned, some 60 teachers, fresh from rural school duties and ambitions to improve their usefulness. On Nov. 3rd the N. S.

College of Agriculture at Truro opened with a registration for the year of 65, including 41 pupils from Nova Scotia, 20 from New Brunswick and 4 from P. E. Island.

The Nova Scotia Anniversaries of 1921. This historic Province of Canada proved itself during the year from the standpoint of age and recorded annals. It marked in different ways (1) the 300th anniversary of the Royal Charter given by James I of England and VI of Scotland (Sept. 29, 1621) to Sir William Alexander for the creation of a new Scotland in a new world, with British authority concentrated then, and at later intervals, in His Majesty's garrison at Annapolis Royal; (2) the fact that on Apr. 19, 1721, there was established at Annapolis Royal by His Excellency Richard Phillips, Governor, the first Court of Judicature to administer the common law of England in what afterwards became the Dominion of Canada and based, as "a rule or pattern upon the lawes of Virginia" as then administered under British rule; (3) the centenary of settlement in Annapolis Royal of Thomas Chandler Haliburton, famous as the "Sam Slick" of American humour and as a Canadian and British publicist and jurist.

Much was written about the subject in the Canadian press; J. Murray Clark, K.C., LL.D., of Toronto, was unceasing in his effort to have the triple events properly recognized and to make known the relationship of "the lawes of Virginia" to those of England and Nova Scotia, with the fact that both the British Empire and the United States were now largely governed by the Common law of England.* To Mr. Justice J. A. Chisholm of Halifax was due the actual discovery of the Order in this respect and the reference to Virginia. The Chairman of the General Committee appointed to arrange the celebrations was F. C. Whitman of Annapolis Royal. Minor incidents of this period growing out of the greater ones were the celebration in July of the 150th anniversary of the foundation of Presbyterianism in Canada at Glenholme, Colchester County; in August of the centenary of the first Presbyterian church in Cape Breton at Mahon, Inverness County; on Aug. 15 the 150th anniversary of the North British Society of Halifax, the oldest Scottish organization in Canada, was commemorated.

On Aug. 31st the triple anniversary was marked by a representative gathering at Annapolis Royal. Judge Chisholm presided and the Tablet in commemoration of the Royal Charter and foundation of Nova Scotia was presented by the Government of the Province; the Tablet marking the Legal Bi-centenary was presented by Chief Justice the Hon. R. E. Harris and Sir James Aikins, Lieut.-Governor of Manitoba and President of the Canadian Bar Association, with, also, cables of congratulation from Lord Birkenhead, Lord High Chancellor of Britain, and Hon. W. H. Taft, Chief Justice of the United States; the Tablet in honour of the Haliburton Centenary was the gift of F. C. Whit-

*NOTE.—A notable article by Dr. Clark appeared in the *Virginia Law Register* of Charlottesville, Va., June, 1920.

man and the Historical Association of Annapolis Royal. The old Fort of Ste. Anne, with remains marking the scene of many struggles and centuries of change and historic action, was the scene of this new event. The Hon. F. B. McCurdy represented the Federal Government and formally received the Tablets on behalf of the Dominion after that of the Tercentenary had been unveiled by Hon. G. H. Murray, Prime Minister of the Province, that of the Legal Bicentenary by Lieut.-Governor MacCallum Grant, and that of the Haliburton Centenary by Mr. Whitman.

The speeches were of historical interest. Mr. McCurdy drew attention to the fact that "before the Pilgrim Fathers landed at Plymouth Rock, a thriving village stood on these shores and early pioneers had already reaped the first crops; that during the long and tragic struggle which ensued, this little place, Port Royal, changed hands no less than six times before it passed finally under British rule." Judge Chisholm, in opening the proceedings, spoke briefly; Mr. Premier Murray at considerable length. The latter drew attention to an interesting fact: "The constitution of what was intended to be the Dominion of New Scotland by King James was due to no mere whim or personal caprice, although it has been mistakenly represented as such. It was a deliberate act of policy. He had observed New France, founded and growing north of the St. Lawrence and threatening to spread southward. The establishment of New England to the south had been reported to him. He determined to interpose a New Scotland between them. Had his policy been pursued and maintained, it would have been much better for Canada and perhaps for this Continent." High tribute was paid to Nova Scotia by Sir James Aikins: "The only unit of our nation that has had its own flag borne on every ocean by thousands of its own ships; the land where the first elective Assembly in British North America met—a third of a century before those of the Canadas; the first Province to have an organized Court of Law, and the first to have a Chief Justice—Jonathan Belcher."

Chief Justice Harris followed in a thoughtful address which combined historic and current references; he questioned whether the Courts and Parliaments of the present day had not gone too far in the abolition of the lash; whether the troubles of the present time were not, in some part, due to the short crop of birch rods in this country; the sentences of the ancient Court at Annapolis Royal had been practical, commonsense and calculated to prevent crime. The Tablets read as follows:

1. This Tablet, placed here by the Government of Nova Scotia, A.D. 1921, commemorates the 300th anniversary of the issue of the Charter of New Scotland by James I of England, VI of Scotland, A.D. 1621; the birth of an idea which lived and had its final fruition in the taking of this Fort and conquest of Acadia in the reign of Queen Anne.

2. This Tablet, placed here by the Bench and Bar of Canada, A.D. 1921, marks the 200th anniversary of the establishment and sitting in this Fort, A.D. 1721, of the first Court administrating English Common Laws within what is now the Dominion of Canada.

3. This Tablet, erected A.D. 1921, under the auspices of the Historical Association of Annapolis Royal, commemorates the 100th anniversary of the arrival in this town of Thomas Chandler Haliburton, who lived here 8 years and began in this place his great career in Law, Literature and Public Life.

At a meeting in the evening several historical papers were read. Dugald Macgillivray of Halifax presented one by Dr. Alex. Fraser of Toronto on the Royal Charter; Angus MacMurchy, K.C., of Toronto, read one by Dr. Murray Clark on the Relation of the British Dominion of Virginia with that of Canada; Dr. Charles Morse, K.C., of Ottawa read one on "The Courts and the Commonwealth." A few months later (Sept. 7) Annapolis Royal was swept by fire and one-third of the beautifully situated little town destroyed.

The United Farmers of Nova Scotia. The 1st Annual Convention of the United Farmers of Nova Scotia met at Truro, on Mch. 22-23, and, though not large, its attendance and the deliberations were considered satisfactory. Better organization, improvements in rural schools, and closer co-operation between the United Farmer bodies in the Maritime Provinces were discussed. The address of President H. L. Taggart pointed out strongly the need of organization in several Counties; emphasized the necessity of imparting responsibility to the organizers who were appointed; urged the promotion of trade co-operation as the biggest work confronting them. In conclusion, he read the Provisional platform of the local organization, and asked on behalf of the Farmer members in the Legislature for full consideration.

As to this, the plank dealing with Education produced considerable severe criticism of the system in use, and resulted in the following Resolution: "That the State owes to every resident child a common school education and, under the B. N. A. Act, Education is within Provincial administration; that, in Nova Scotia, the children of the rural parts are not receiving an adequate common school education and the administration of the Department of Education does not command confidence; therefore, resolved that, in the opinion of this Convention, our school system and management should be revised and reformed having in view, among other things, a radical simplification of the curriculum, limiting the number of subjects taught, and aiming at thoroughness and accuracy as a mind habit." The Convention approved of Prohibition and an amendment was made to the Prohibition plank calling for a "strict enforcement of the law." A discussion of the Government's impending legislation giving Veterinarians the right to dispense liquor evoked a Resolution calling upon the Farmer members to oppose such a measure.

Other business included the Secretary's report which dealt mainly with the work of organization during 1920-21; the increased membership fee of $1.50 a year, beginning with January 1st, 1922—the wife and children living at home being granted

membership at half the ordinary fee; the support of Co-operative movements, and Educational lectures on Rural Credits, etc. A report by G. G. Archibald, Editor of the *United Farmers' Guide*, stated that the circulation of that journal was 19,500 and that it had started out with a political editorial page but the politics expressed had gained little support and eventually caused a direct loss of more than 4,000 subscribers. The management then cut out politics and devoted the space to matters special to Agriculture. Since that time the *Guide* had quite recovered its losses and increased to a greater degree, but further support was necessary. At the close of the Convention H. L. Taggart, M.L.A., was re-elected President; D. R. Nicholson and Dr. H. E. Kendall, Vice-Presidents; F. A. Chipman, Secretary. The U. F. N. S. had elected 6 candidates to the Provincial Legislature in 1920; they made a strong effort to repeat this success in the Federal elections of 1921, and 5 candidates were nominated but none elected.

New Brunswick in 1921; Production, Government, Legislation and General Position.

As in Nova Scotia, values fell in this Province very largely throughout the year, and production was not up to the average. The crops had to face continued drought and excessive heat; hay, grain and early varieties of potatoes were seriously affected while turnips and later varieties of potatoes developed very well. The total value of agricultural production, in 1921, was $38,325,400,* and this included 427,000 bushels of Spring wheat valued at $641,000; 7,118,000 bushels of Oats (2,000,000 bushels less than in 1920) at $4,627,000; 1,108,000 bushels of Buckwheat at $1,108,000; 16,192,000 bushels of Potatoes at $14,573,000; 625,000 tons of Hay and Clover at $15,625,000. There was only a slight increase in the production of Potatoes but a gain in values over 1920 of $4,300,000; in Hay the production was 240,000 tons less and the loss in values $8,600,000. Barley was valued at $168,000, Beans $116,000, Fodder corn $260,000.

Following the difficulties in the Hay crop there was a large reduction in Live-stock. As to numbers, Horses, on June 30, 1921, numbered 69,958, or 7,000 less than in 1920; Cattle 295,446, or 37,000 less; Sheep 236,951, or 43,000 less; Swine 89,337, or 3,500 less. In values Horses were estimated at $8,045,000, Cattle $9,159,000, Sheep $1,185,000 and Swine $1,519,000; the total depreciation in value was $11,000,000, of which Horses took $2,600,000, Cattle $7,100,000, Sheep and Swine $1,500,000. The gross agricultural wealth of New Brunswick was estimated in 1921 (Federal Bureau) at $154,915,000, of which $84,993,000 was in Land, Buildings and Implements. The Agricultural income of this year, compared with preceding years and illustrating, also, the deflation in prices, was as follows:

*Note.—Figures of the Federal Bureau of Statistics.

New Brunswick	1918	1919	1920	1921
Field Crops	$42,891,000	$53,134,000	$46,357,000	$38,326,000
Farm Animals	3,681,000	4,869,000	3,934,000	2,315,000
Wool	569,000	684,000	370,000	176,000
Dairy Products	1,419,000	2,214,000	4,516,000	4,616,000
Fruits and Vegetables	1,600,000	1,600,000	1,600,000	1,600,000
Poultry and Eggs	960,000	960,000	1,080,000	1,320,000
Fur Farming	55,000	55,000	127,000	42,000
Maple Products	50,000	53,000	53,000	63,000
Totals	$51,225,000	$63,569,000	$58,137,000	$48,458,000

Incidents of the year in this connection included the success of New Brunswick apples in the *Daily Mail* Imperial Fruit Show at London, England (Oct. 28) with 4 Prize medals obtained—2 gold and 2 bronze; the official statement of Poultry in the Province as totalling 679,542 fowl, 29,452 Turkeys, 22,585 geese and 11,826 ducks; the election of W. B. Gilman, Springhill, as President of the N. B. Fruit Growers' Association, and Arthur J. Gaudet of St. Joseph as President of the N. B. Farmers' and Dairymen's Association; the grant of $64,110, under the Federal Agricultural Aid Act, with $9,772 of it expended on Agricultural representatives, $7,440 on Women's Institutes and $14,112 on Elementary Agricultural education; the fact of 57 Fur-farms in the Province at the beginning of the year with a total value of $532,250 and a pelt value sold of $72,500. The Mineral product of the Province in 1921 was $1,777,358, or $714,000 less than in 1920; the output of Coal was 180,358 short tons, or a slight increase; the Fisheries produced (1920 latest figures) $4,423,745—a decrease of $555,000; Building operations (1920 figures) totalled $3,132,589 in value of work done with $1,974,003 of capital invested; the total Imports of the Province in the year of Mch. 31, 1921, were $41,939,560 and the Exports $113,746,753.

The industries of New Brunswick had an unprogressive year in 1921, and this ensured depression in centres like St. John, even if shipping and trade had not been stagnant; the 1919 official statistics showed a capital of $89,958,882 invested in 1,439 establishments, compared with $20,741,170 in 1900, while the value of production was $100,005,695, as against $20,972,470 in 1900; in April a number of factories resumed operations with some reductions in wages or the number of employees; the Atlantic Sugar Refineries started work on their raw product in stock and the Clarke Bros. Paper Mills Co., which had taken over the former Ford plant in St. John, started the manufacture of fibre shipping cases with the pulp supplied by the Clarke mill at Bear River, N. S.; the Fraser Companies, Ltd., following the issue of $2,000,000 1st-mortgage 6 per cent. bonds, showed profits for 1920-21 of $2,157,618; the Canada Cement Co., of Montreal, in August, took up a number of options on limestone properties at Havelock, N.B. In Lumber business was bad, with an estimated 300,000,000 feet B.M. produced, or about one-half of the 1920 product; manufacturing costs, however, averaged $24.00 per 1,000 feet as compared with $30.00 in the preceding year; the cost of labour was one-third what it was in 1919, but the prices of food-stuffs and supplies and freight rates maintained

a high level; stocks held by manufacturers and exporters were high at the close of the year, and estimates for New Brunswick up to 500,000,000 feet B.M. It may be added that the population, according to the Census of this year was 387,876, compared with 351,889 in 1911—an increase of 35,987 in 10 years.

The Foster Government of New Brunswick. The Government of Hon. W. E. Foster was in its 5th year of office and had carried the Province in 1920 by a small but working majority over elements which would not, or could not, combine against the Liberals—14 Conservatives, 6 United Farmers and 4 Independents. Following the Legislative Session, Mr. Foster was in England, chiefly to arrange the matter of Provincial representation in London and the location of offices. He told the *Canadian Gazette*, on May 19, that the Province offered good prospects to those who desired to go to Canada. It was only a six days' run and he could not understand why people arriving to settle in the Dominion should make a long inland journey when just as great advantages were offered to them within a few hours' from St. John: "The opportunities for work along agricultural lines are abnormal and the advantages as good as ever. New Brunswick consumes more foodstuffs than she produces. There is, therefore, a good home market for all general products of the farm. We can offer inducements to people with moderate means, as cleared lands can be purchased at reasonable prices in the Province, and, in cases where a man does not possess enough to purchase a farm, the Government has available machinery for loaning part of the money on easy terms." He pointed out that a man had to work hard, but if he did his reward was assured:

> There are many advantages which the Province possesses. One is abundant railway facilities. New Brunswick has more railway mileage per head of population than any other Province. Another point is that education, which is under the Provincial Government, is excellent, and there are good schools everywhere. The Province has much to attract sportsmen, possessing plenty of moose and deer and smaller game, and good salmon and trout fishing. Lumber is the chief industry, and, as in the case of other commodities, people are not buying much at present. There is a good lot of manufactured timber in stock, and it is a matter of waiting until the market recovers. The Government has 10,000,000 acres of Crown Lands, which yield from 250 to 350 millions superficial feet of lumber a year. The pulp and paper industry is making progress, and during recent years mills have been established. They have hitherto supplied their own power from coal, but the Government has evolved a comprehensive scheme for the development of water-power generally in the Province.

His statement in full afforded a good picture of current policy and progress in the Province; in addition, he pointed out that the Government was carrying on an active Road programme extending over five years from 1920 and involving an expenditure of from $4,000,000 to $5,000,000. The Hon. C. W. Robinson was acting Premier during Mr. Foster's absence. There was only one appointment in the Government during the year—that of Joseph E. Michaud, M.L.A. for Madawaska, a young

French-Canadian lawyer of 32 years, who was made Minister without Portfolio on Jan. 5. An interesting incident was associated with the forceful personality of Hon. Peter J. Veniot, Minister of Public Works, who was said to have been aproached through a third person to join Mr. Meighen's Dominion Cabinet; it was denied by the Prime Minister in the Commons on May 19, and re-affirmed by Mr. Veniot with succeeding publication of correspondence which seemed to indicate that proposals had been made, but made unofficially, and not with Mr. Meighen's direct knowledge.

One of the projects which this Minister had under consideration in 1921 was an inter-Provincial bridge across the Restigouche River from Campbellton, N.B., to Cross Point, Quebec; the estimated cost was between $700,000 and $800,000, and of this the Federal Government was asked to pay one-half with the other half to be divided between the New Brunswick and Quebec Provincial Governments. His annual Report for 1920, presented to the Legislature in March, reviewed the record of the Department since 1855 when W. H. Steeves was the first Commissioner, and stated an expenditure of $99,740 upon Public buildings, $22,303 upon Ferry maintenance, $33,240 upon Steam navigation, $16,357 upon Motor vehicles, with $404,401 upon Ordinary road construction and maintenance and $934,836 upon Permanent roads. There were under construction at this time 1,267 miles of highway which had been approved by the Federal Government under its Highway Appropriation Act, and half of the above expenditure for Permanent roads was in connection with the 4 main trunk systems being built with Dominion co-operation. They were as follows:

1. The North Shore route, which extended from Metapedia, where it joined the Quebec Highway system, to Port Elgin, where it joined the Bay of Fundy route.
2. Bay of Fundy route extending from Cape Tormentine to St. Stephen and connecting with the P. E. Island Highway *via* car ferry at Cape Tormentine, with the Nova Scotia roads at Aulac, and with the State of Maine highway at St. Stephen.
3. St. John Valley route, extending from St. John to the Quebec border.
4. The central routes, from St. Stephen to Bathurst *via* Fredericton and Newcastle and Fredericton to Sussex, *via* Chipman.

The N. B. Tourist and Resources Association, at its Sackville meeting (June 23) passed a Resolution praising the good work which was being done by the Public Works Department in improving Highways, and thanked Mr. Veniot for his personal interest in the policy. The Minister of Agriculture (Hon. D. W. Mersereau), in his annual Report for 1921, dealt with many elements of work done to promote production and help the farmer. School fairs, he said, were growing in popularity with many prizes given by the Department; the *Rural Education Monthly* was circulated in 1,500 school districts and to 350 Normal School students, and it dealt with agricultural matters chiefly as

they affected the farmer; the Rural Science School for Teachers supported the Normal School course with special instruction in Nature Study and Agriculture; School gardens, home plots, poultry projects to interest school children, demonstration plots in roadside houses, crop improvement work, seed fairs, fibre-flax plots and varied forms of demonstrational instruction were under way.

Other Agricultural matters included the organization (1920) of the N. B. Sheep Breeders' Association and the Government's effort to encourage, through it, the co-operative marketting of wool—of which the 1921 production was 1,354,409 pounds; the bonusing of pure-bred stock and close inspection of Dairy factories with 1,100,303 pounds of Cheese and 1,162,020 pounds of Butter produced; the formation of Poultry Clubs, initiation of Egg-laying contests, active support given by the Department to the N. B. Fruit Growers' Association and its co-operative work; the appointment and operation of an Advisory Board for the N. B. Women's Institutes and the fact that 94 of these bodies showed receipts of $22,119 and expenses of $13,262 in 1920-21 with important Short Courses in Household Science; the grants to 153 Agricultural Societies and their Field Crop competitions and the formation of a co-operative body called the N. B. Agricultural Societies United, as a buying organization for fertilizers, etc.; the statement by F. E. Sharp, Superintendent of Immigration, as to his Publicity work and the Land Settlement Board which in 1920-21 purchased 6 farms and had a credit balance (Oct. 31, 1921) of $88,073 with full payments received on 19 farms for which deeds had been executed. The Provincial figures of production are often different from the Federal estimates and the total product of Wheat in 1921 was stated at 440,724 bushels, Oats 6,966,542 bushels, Turnips 6,607,421 bushels, Potatoes 16,191,653 bushels.

Hon. Clifford W. Robinson, Minister of Lands and Mines, in the 61st Report of his Department, stated the net revenue at $1,166,735, compared with $1,573,340 in 1920. T. G. Loggie, I.S.O., Deputy-Minister, pointed out as to Lumber that: "I estimated 200 million superficial feet would probably be cut for the year just closed (the actual cut being 213 million feet) or about the annual growth. x x x In my judgment the true policy for conservation of the forest is to cut the merchantable growth, keep out the forest fires and let the young stand mature to merchantable logs; we must not overlook conditions as they now exist, and in this connection let me mention the ravages of the heavy forest fires of the past season, the devastating effect of the spruce bud-worm, and the unemployment problem."

These matters were seriously considered by the Government and the necessary steps taken. The stumpage on burnt lumber was fixed at half rates, that on bud-worm killed lumber was reduced 20 per cent. (on spruce) and 55 per cent. on fir; these regulations were generally accepted by the lumbermen as

meeting the situation. The Summer of 1921 was a season of specially disastrous fires and they raged in all parts of the Province—except the northern—and from May to September existent conditions taxed the Department as never before; early in the Spring arrangements had been made on a large scale to cope with the difficulty, but the force commissioned was found to be inadequate and, in all, 495 fires were reported; several of these were very large and required the expenditure of thousands of dollars to subdue, with all but 2 per cent. stated as preventable in cause.

The receipts from Game exceeded the estimate by 25 per cent. and the fines for violation of the Game laws totalled $6,767; the number of Moose killed was 1,016 and of Deer 1,880, while the game, guide, bird, beaver and fishing licenses issued totalled 13,503. Considerable progress was made with the Forest survey during the year and the Chief Forester reported that over half the Crown Lands had now been surveyed, mapped and fully reported upon. During the year forest parties worked in the northern part of the Province on waters tributary to the Nepisiguit River, where they covered territory of 867,108 acres. The expenditure on this work for the year was $58,940. The total area covered to Oct. 31, 1921, was 3,951,610 acres, or 6,174 square miles. There was a small increase in the Coal production and the Minto district was still at the top with 72,664 tons; the total of all mines was stated as 140,142 tons of 2,240 pounds per ton. No new producing oil or gas wells were opened during the year. Wells were cleaned out and deepened with the result that the production of gas was almost the same as in the preceding years, while the quantity of oil exceeded that of 1920 by 54,607 gallons. The crude oil totalled 845,208 gallons, the value of gas was $755,761, the Government's royalty $41,891.

The Department of Health, under Hon. Dr. W. F. Roberts, continued its important work during 1921. Previous to 1918, when Dr. Roberts carried the Public Health Act through the Legislature, Provincial conditions in this respect were somewhat primitive; since then, these matters had been under the organized influence of a Minister and a Department, and they included in their scope two vital Public Services which had never before been under one Department—the collection and compilation of Vital Statistics and Medical School Inspection. As to the latter service, New Brunswick soon took high place in its application of inspection to rural schools and, in 1921, the Rockfeller Foundation International Health Board, after three very careful surveys of the work, granted the sum of $27,000 annually, for two years, with the understanding that the Province should take over from the Municipalities and make permanent the existing Service. This gave to every rural school in the Province an all-time service. In 1918 $1,600 was spent by the Government upon Public Health; in 1921 the total voted was $61,000. There were, during this year, 8 clinics for free treat-

ment of Venereal Diseases and 17 Sera depôts for free distribution to the poor of Vaccines, sera of all kinds, antitoxins, etc.; the Province had one of the most efficient laboratories in Canada, presided over by an official of national reputation and here technicians were in training for the smaller laboratories which were being established in the lesser hospitals of the Province.

Power development became increasingly important during 1921. In conjunction with the Water Powers' Branch of the Dominion, the Province had, in 1918, commenced an investigation of its water-powers and had appointed a Water Power Commission. Within a year and a half this Commission had obtained sufficient information to warrant the Legislature in authorizing appointment of a permanent Commission (1920) consisting of the Hon. E. A. Smith, Chairman, the Hon. L. A. Dugal, Edmunston, and C. O. Foss, St. John. It had prepared plans, under the advice of consulting engineers, for the development of the Big Falls of the Lepreau, about 20 miles from St. John. A little later it was discovered that the west branch of the Musquash could be diverted into the east branch of the same stream so that the waters of both could be utilized in one power house. As this would produce much more power than the one development on the Lepreau, and as it was 7 miles nearer St. John, it was decided to proceed with this first.

The power requirements of St. John were expected to immediately absorb the output of this development, making it necessary to proceed with the development of one of the three power sites on the Lepreau which totalled fully 12,000 horsepower. After these two streams were harnessed, and the output absorbed, there was the Magaguadavic, a few miles farther away, which could be made to yield as much power as the Musquash and Lepreau combined. The Commission stated positively that 8,000 h.-p. could be generated on the Pokiok, 37 miles north of Fredericton, 8,000 more in one plant at the outlet of the Shogomoc 40 miles north of Fredericton, and 12,000 on the Tetagouche near Bathurst. In addition to these comparatively small powers there were the Grand Falls of the St. John with a maximum of 33,000 h.-p. without storage and a maximum of 75,000 with full storage provided. The Bathurst Lumber Company had, in 1921, a development nearing completion at the Grand Falls of the Nepisiguit of 13,500 h.-p. Tabulating all these the Province had in sight a total of 150,500 h.-p. There were possibilities of 200,000 h.-p. all-told before touching the great resources of the Bay of Fundy tides.

The progress Report of the N. B. Electric Power Commission was placed before the Legislature on Apr. 1st. Its formation was reviewed in detail and its conclusions confirmed by Henry Holgate, the consulting engineer of the Commission, before publication. Following his retirement, C. H. and P. H. Mitchell of Toronto had been engaged and they, too, had approved the decisions. The details of the Musquash matter were

given in full and the necessity of a large storage capacity for comparatively small power production emphasized; various contracts had been let and were dealt with in full, as was the situation in the projects under way, or in consideration. The expenditure to date was $79,552. As in Halifax, the City of St. John, during 1921, discussed—in a more amicable way, however—the application of the Power question to its own interests. It was advised in May of this year that an opportunity would soon be available to buy from the Electric Power Commission about 10,000 h.-p. developed by the Province at Musquash, with current ready for delivery in the autumn or early next year. The question at once arose as to how the city could best distribute to light and power users the current which it could buy at a price much lower than the cost of developing power by the use of coal.

Would it create a Civic distribution system or employ the New Brunswick Power Company as a distributing agent under an agreement binding the Power Company to pass on to the consumer any saving which it made by having Musquash power turned over to it at a price below its present cost of producing current? The City had, meanwhile, received a Report as to the local situation from H. E. M. Kensit, an Engineer, who dealt fully with the N. B. Power Co. and stated that it cost the Company 2·8 cents per k.w.h. to generate its power or $59 per horsepower per hour; that the average cost delivered to consumers was 5·8 cents; that the average price received, including the Street Railway, was 6·1 cents and, excluding the Street Railway was 8·55 cents; that the cost of maintaining the steam plant, as a stand-by only, would be about $63,000 a year; that under existing conditions the only possible saving from purchase by the Company of Hydro-electric power would be in the cost of operating the power station. The business of this Company, according to its 1920 Statement, was $1,038,560 of receipts, which included returns from Street Railway, Light, Power and Gas; the operating expenses were $871,917, the net earnings $70,920 with several rather irregular dividends paid; on May 2nd, 1921, Percy W. Thomson was appointed General Manager.

During the year Power development was largely advanced; it had behind it the Foster Government, the Power Commission, the business interests; in July a great number of men were rushing to completion at Musquash two huge dams, as well as numerous smaller dams at different places in the area of supply, with contracts which were let for a generating station and its complex machinery, surge tanks and hydraulic turbines, wood-stave pipe and steel towers, transmission cables and a receiving station at Fairville with various other equipment which were required by the end of the year. On Oct. 19 a Conference was held in St. John addressed by Mr. Premier Foster, Hon. E. A. Smith, Mayor Schofield, K. H. Smith, the Engineer to the Commission, and others; it discussed at length the Hydro-electric development

and a distribution of power which the Commission was obliged, by statute, to first offer to the City. The situation, as stated, was that the Commission would be ready to deliver power in the spring, and the estimated price to the City, as a carrying charge, was about $200,000 per annum for an amount of power equalling 8,000 to 10,000 h.-p.

On this basis it was said to be costing the New Brunswick Power Co. about $228,000 to develop 6,000 h.-p. by coal and steam and the chief issue was: "How to get the power to the consumer." The Commission duly made its offer—to hand over to the city 15,000,000 of the 21,000,000 kilowatt hours of energy at a price of $183,210; a Report on this proposal was made by the Mayor in association with three Engineers—W. H. Chace, G. G. Hare and C. C. Kirby—which quoted certain figures and outlined the various suggestions. The plan favoured by this Committee was one under which the City and the Company should unite in a contract with the Power Commission to purchase the electric energy for distribution by the Company; the latter to re-arrange its circuits, separating the lighting load from the power load, and extending both classes of circuits to serve available customers not now served; the prices of energy delivered as light and power to be regulated or modified so as to pass on to the customers the small saving to be had by the purchase of Hydro-electric energy for the Company and the economies affected by virtue of the growth of the load.

No decision was arrived at and C. O. Foss of the Commission stated later (Dec. 15) that the price of 1·2 set by the Commission was the maximum figure; that there were possibilities of reduction and that the policy of the Commission was to sell power at cost. On Dec. 21 another Conference took place of all the interests concerned with the Manufacturers' viewpoint presented by C. W. Brown, who claimed that an enormous horse-power rate was being paid in St. John; that the Government had invested $2,000,000 in the Hydro-electric project in order to develop industries; that a rate that would make it possible for manufacturers to compete on even terms with those elsewhere, in the matter of power costs, ought to be obtained.

The Prohibition developments of the year were very similar to those of Nova Scotia. On Feb. 10 the Government stated that a New Brunswick Board of Liquor Vendors had been appointed to take charge of the importation and wholesale distribution of liquor; Hon. J. F. Tweeddale, lately Minister of Agriculture, was to be Chairman and Martin McGuire of St. John—recently in the wholesale liquor business—with A. F. Bentley, ex-M.L.A. of St. Martin's, were the other two members; the Chairman was to give his whole time to his duties and the others to act in an advisory capacity. The Board was organized on Apr. 14, and Mr. Tweeddale stated that it had decided to purchase standard brands of liquors rather than to adopt a system of chemical analysis and certificate such as was in effect

in Saskatchewan; stocks carried by wholesalers in the Province would be taken over wherever possible. Headquarters were established in Fredericton. On July 22 the Board announced the scale of prices under which retail licensed vendors could fill liquor prescriptions; the highest price for Scotch whiskey was $5 per quart bottle, and this and other prices were uniformly lower than the average amount recently charged by the retail vendors.

The Legislature, on Apr. 5, passed, without division and with little discussion, a Resolution moved by Hon. W. F. Roberts advising the Dominion Government of its formal request "that the votes of the electors in this Province may be taken for or against the following prohibition, that is to say: That the importation and bringing of intoxicating liquor into this Province for beverage purposes may be forbidden." The existing Prohibition Act, dating from 1916, and confirmed by a Referendum in 1920 was severely criticized by Hon. J. B. M. Baxter, K.C. (Cons.) on Apr. 13. He complained of the heavy costs of enforcement ($60,000), deprecated the remission of fines in certain cases by Government intervention, declared the law too drastic in cutting away the right of appeal from a defendant, and objected to the treating of everyone accused as if he were a convict. The Hon. J. P. Byrne, K.C., Attorney-General, defended the enforcement of the law, described the difficulties and eulogized the work of Rev. W. D. Wilson while Chief Inspector.

There was much abuse of the law and Mr. Wilson told the Women's Temperance Union at St. John (May 26) that the business had no right to exist in the Province; that it was the duty of those concerned to, on their part, prove the legality of the traffic; that the export dealers were acting without any hint or hope of a right to conduct their business and were neither licensed by the Province nor by the Dominion, nor were they acting as accredited vendors. On July 17 American officers from Van Buren and Portland made a large seizure of contraband liquor at Van Buren, on the New Brunwick side of the St. John River, and under authority of recent amendments to the Provincial law; at this time there was much rum-running on the border with a number of actual battles between enforcement officers and contraband runners. On Oct. 10, New Brunswick joined Nova Scotia, P. E. Island, Ontario, Manitoba, Saskatchewan and Alberta as a Prohibition Province; it had followed the others in abolishing the bar-room and the retail sale of liquor as a beverage over the counter; it had until now permitted importation for private use; the vote was 41,436 in favour of the existing Prohibition Act and in favour of Light Wine and Beer 23,713. The women played a big part in the vote and, in St. John, were estimated as one-half of those who went to the polls; Rev. W. D. Wilson was in charge of the Prohibition campaign.

An incident of the year was the decision of Mr. Justice J. H. Barry of the Supreme Court that the election of Messrs. D. A.

Stewart and Henry Diotte, supporters of the Opposition, to the Legislature for Restigouche in the General Elections of October, 1920, was valid. Appointments were announced of Hon. L. A. Dugal of Edmundston as a member of the Electric Power Commission; of Hon. Arthur R. Slipp, K.C., a member of the late Conservative Government, as Junior Judge of York, Sunbury and Queens; of Mrs. A. C. D. Wilson and Mrs. A. W. Adams as members of the Board of Theatre Censors; of Robert Murray, Chatham, as Judge of Probate, with the re-election of Rev. W. J. Kerby of Moncton as G. W. P. of the New Brunswick Sons of Temperance. Other incidents included the statement of Hon. W. F. Roberts, Minister of Health (Feb. 14) that there were several districts or sections in New Brunswick which were absolutely without medical care either by physicians or nurses and that some places were so situated that the majority of the inhabitants were from 35 to 50 miles away from the nearest doctor; the decision of the Supreme Court of Canada (June 7) dismissing the appeal of the St. John and Quebec Railway in a case which sought to establish the Railway as a public work of Canada and to overthrow a Provincial Order-in-Council which had vested the shares of the Company in the Provincial Government and had ousted the Board of Directors from their office.

On June 15 there was an award of contracts (15,000 tons) to the Minto Coal Operators' Association, for the first coal from the Grand Lake coal areas of New Brunswick to be used on the C. N. R.; on the St. John Street Railway and in the Power and Gas Works during June and July there was a strike, with the despatch of R. C. M. P. to preserve order under Ottawa directions and at the urgent request of the Provincial Government and the Mayor of that City; in July a Conference was held at Sussex between Hon. Dr. Roberts, Dr. G. C. Melvin, Provincial Health Officer, and various Boards of Health, as to existing conditions and the Minister stated that $30,000 was being expended on medical school inspection and the division of the Province into five inspection areas with each group engaging a doctor for the work. The Lieut.-Governor, the Hon. William Pugsley, opened, on July 27, a new Nurses' Home connected with the General Hospital and unveiled, also, a Memorial Tablet to Nursing Sister Alice Stammers.

Under Acts of the Federal Parliament and the Provincial Legislature, St. John, on Aug. 1st, voted on the question of placing the Harbour Works and management under control of a Federal Commission, with strong opposition and a vigorous discussion developing into a final vote of 1,392 for the Commission and 2,177 against. In July orders granting two public utilities permission to increase rates were issued by the N. B. Public Utilities Commission—the Citizens' Gas Co. of St. Stephen and the Calais Water and Power Co.—and it also granted the N. B. Telephone Co. the right to issue $664,000 of additional stock; on Sept. 3rd the St. John Exhibition was opened by the Lieut.-

Governor and that at Fredericton, on Sept. 17, by Hon. D. W. Mersereau; a Conference occurred (Aug. 25) between the Government, the G. W. V. A., the Trades and Labour Council and the Union of New Brunswick Municipalities as to unemployment.

On the 24th Mr. Premier Foster addressed the Union at length on the financial situation and the essential points of Government policy: "Our educational system must be maintained, even to the extent of increased allowances for our teachers. The safety of the public must be secured by the repairs to thousands of wooden bridges which are so prevalent throughout the Province. Recent years have brought about, by reason of the revolutionized system of travel in motor-cars, a demand for a higher standard of road construction. This must be met, to at least a reasonable extent. A larger measure of aid must be forthcoming from the municipalities toward the up-keep of the smaller bridges and by-roads which stretch out from the main trunk roads into the rural communities, with contributions from the cities and towns toward the upkeep of trunk roads leading to the centres of population."

The Premier also declared that the Debt created for the construction of Branch railways, "which preceding Governments apparently forgot to provide any ways or means of meeting," must be faced to a total of $12,000,000 cash investment and $12,000,000 in value of lands granted. He added a reference to the differences in methods adopted in making up assessments by the various Counties and suggested that a Provincial Board of Valuators be appointed to carry on this work in a systematic and equitable manner, with rights of appeal against their decision. The Convention approved of the policy outlined. The Hon. Mr. Veniot followed this up with a definite statement that the Government intended to transfer responsibility for the construction and maintenance of branch roads to the municipalities —leaving the highways or trunk roads still in the hands of the Province. To secure the additional revenue thus required the Convention asked for Municipal power to levy a special tax on automobiles. At St. John, on Jan. 11-13, 1921, the 8th Annual Convention of the N. B. Federation of Labour was held. It was decided that henceforth the Legislative programme adopted each year should be submitted to the Trades and Labour Congress of Canada. Among the matters approved by the Federation were the following recommendations:

1. The creation of a Provincial Department of Labour, with a Minister of Labour, who shall be a member of the Executive Council of the Government.
2. An amendment to the Workmen's Compensation Act providing for improved rates of compensation and especially in the cases of dependents.
3. An amendment of the Factories Act to provide for its application to all industries, and further limiting the employment ages for children and hours of labour.
4. The appointment of a Minimum Wage Board to improve conditions of female workers and a Mothers' Pension Board.



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5. An amendment of the Mining Act to enforce better conditions of safety in the mines.
6. The passage of legislation to give immediate effect to the draft Conventions and recommendations of the Washington Conference and the League of Nations International Labour Organization.
7. Provision for old age pensions and relief for needy workers.
8. Examinations and certificates of competence for all drivers of motor vehicles in the Province.
9. Proportional Representation in elections; Direct legislation through the initiative and referendum; equal rights to women in school districts and municipal voting and office-holding; property qualifications for voting and holding office in municipalities to be abolished.
10. A higher assessment on lands held for speculation than on improved land.
11. That School Districts be enlarged and consolidated where possible with increased pensions for teachers.
12. That it be made unlawful for the N. B. Electric Power Commission, or for any municipality supplied by the Commission, to sell power to any private persons or corporation for distribution at profit.
13. That Immigration from Europe be restricted.
14. That night and Sunday work be abolished in bakeries as far as practicable, and that 8 hours constitute a day's work.

Motions favouring Government ownership and control of the Liquor traffic and a Referendum on importation of liquor into the Province were negatived. J. E. Tighe of St. John was elected President for 1921. The 8th Congress of Acadians met on Aug. 17, at Church Point, Nova Scotia, to discuss the general advancement of their people, 300 Delegates being present; one prevailing note struck, in the many addresses, was an appeal for better instruction of Acadians in the French language and a call for them to remain firm to their religious faith and the preservation of racial identity. Many notable visitors and Delegates were in attendance and addressed the assembly, including Hon. D. V. Landry, formerly a Provincial Minister; Mgr. Phillippe Belliveau; Judge Rivard of Quebec; Bishop LeBlanc of St. John; Bishop Patrick Chaisson of Chatham, N.B.; Mr. Veniot, Minister of Public Works; Hon. J. W. Comeau, Acadian representative in the Provincial Government; Guy Vanier, of Montreal, President of the Young Canadian Catholics' Association.

Among the Resolutions passed were some of particular interest. One of these urged the Federal Government to mark and preserve all Acadian landmarks, and suggested the appointment of an Acadian representative on the Battlefields Commission; another urged that encouragement be given to the study of problems in Agriculture, Industry, Foreign Trade, Transportation, and that the Acadian people join Boards of Trade, Canadian Clubs and such organizations; another declared that the Acadians wished their co-citizens of the Maritime Provinces and the rest of Canada to feel that they were united with them in loyalty to the country and in the wish to help, socially and economically, in its general advancement and progress. Other incidents of the Convention were the gift of ground by the Dominion Atlantic Railway at Grand Pré, for the erection of an

Acadian Memorial, and a message of fealty sent to the Governor-General for H. M. the King.

Provincial Finances; Mr. Hetherington's Budget. The balance sheet of the Province for the year ending Oct. 31, 1920, showed a Revenue of $3,100,548 and Expenditures of $3,004,200 with a surplus of $96,348 before charging certain Interest on Bonds and other indebtedness of the St. John and Quebec Railway; after this amount of $252,351 was charged there was a Deficit of $156,002. The chief items of revenue in the year were Dominion Subsidy and other payments of $637,976; Stumpage and royalties on Timber, Wild Land tax, Licenses, etc., $1,589,-539; Taxes on Incorporated Companies, Railways, Motor Vehicles, and Amusements, $491,942; Succession Duties $90,340. The chief Expenditures were $344,082 on Education, $175,347 on Forest Service, $142,959 on Motor Vehicle Fund, re Roads, $172,433 on Provincial Hospital, $811,810 on Public Works including roads and bridges, $648,040 on Interest—other than that of the St. John Railway. The capital Assets of the Province were stated at $24,244,461, and included the value of the St. John and Quebec Railway and Permanent Roads and Bridges; the capital Liabilities were the same and included $20,683,236 of bonded Debt.

The Revenues were the largest on record and the St. John Railway charges were due to the collapse, politically and financially, of the Company organized some years before to construct the Line; the Canadian National was now operating the Railway and turning over to the Government a proportion of the gross receipts which, in 1920, amounted to $59,552. The Hon. J. E. Hetherington, Provincial Secretary and Treasurer, in his first Budget speech of Mch. 30, 1921, reviewed the above figures and stated that economy would be the watchword of the Government; that they had decided it was inopportune to put into effect any new taxes which would mean placing additional burdens upon Provincial industries; they would, however, foster industries which were productive of employment.

Interest charges on the above figures showed an increase owing to the higher rates on renewal of Loans; the estimate for Immigration in the new fiscal year would be only $10,000 due to closing of the London Office and transfer of its business to an official in the Dominion offices; in Forest revenues there had been an increase of 100 per cent. during the past year. He spoke strongly of the necessity and benefits of improved roads as complementary to a perfected transportation system of railways, waterways and highways; during 1920 the Liabilities had increased by $1,499,931 but in connection with the St. John and Quebec Railway they were enabled in the past year, by refunding transactions, to reduce its capital liability $445,591.

The Provincial bond issues of the year totalled $5,975,000, which included $2,317,000 of short term issues re-funded; all the Bonds were disposed of by public tender and brought good

prices. Dr. Hetherington, at this point, stated that during the last year the Conservatives were in power, the Territorial revenue was only $540,386 and the total revenue of the Province only $1,580,419. Examination would show that the increase in total revenue under the Liberal Administration had been $1,520,000 and, of this increase, $1,060,000 was from Territorial account and the balance from additional taxation which had not borne heavily upon any section. For 1921 he estimated Revenues of $2,895,856 and Expenditures of $2,886,526. These figures would include a slight reduction in the vote for Agriculture and an increase in the vote for Exhibitions and of $43,000 for Education—chiefly teachers' salaries; an increase in the amounts set aside for Sinking Funds and Roads; an estimated decrease of $270,000 in Territorial Revenues with an increase in **Motor fees.**

For 1920, the following comparative statement was of interest, showing total Forest revenue and percentage increase over 1919: British Columbia, $3,222,358—20 per cent. increase; Quebec, $2,604,456—28 per cent.; Ontario, $2,684,843—20 per cent.; New Brunswick, $1,387,005—100 per cent. increase. For the same year and the same Provinces the statement of acreage burned by Forest Fires was as follows: British Columbia, 390,000 acres; Ontario, 350,000 acres; Quebec, 290,000 acres; New Brunswick, 90,000 acres. The Budget debate was a very short one and concluded on Mch. 31 without a division; the Farmers' party did not discuss the subject at all. At the close of 1921 the Financial statement for the fiscal year to Oct. 31 was issued and showed Revenues of $3,105,279 and Expenditures of $3,371,072, or a Deficit on current account of $265,792; adding the St. John Railway interest, for the year, of $321,447 less $80,108 of share in Railway earnings the Deficit became $507,132. The Revenue was about the same as in 1920 and the chief increases of Expenditure were on Education, which totalled $424,796, or an addition of $40,000; Forest services $249,522, or an addition of $74,000; Motor Vehicle Fund $221,635, or an addition of $80,000; Interest (apart from St. John Railway) $752,175, or an advance of $104,000.

Legislation and Politics in New Brunswick. The 1st Session of the 8th Legislative Assembly was opened on Mch. 17 by the Hon. W. Pugsley, K.C., LL.D., D.C.L., Lieut.-Governor, with a Speech from the Throne which first referred to the world unrest and the immunity of this Province from its more serious phases; described the agricultural production of the past year as fairly satisfactory and congratulated the House on the Government's establishment of "one of the most up-to-date plants for the crushing of lime-rock and the distribution of this natural resource as an aid to fertilizing the soil"; stated that the Government intended "to encourage the flax industry and to supply flax seed to those interested in its production"; described the very satisfactory progress made toward developing the

water-power on the Musquash River, where upwards of 8,000 horse-power would, in the very near future, be available for industrial and domestic purposes; referred to the Highways policy and its continuance under progressive conditions. The statement was as follows:

> Taking advantage of the Federal Aid Programme, contracts were awarded for reconstruction of the main trunk roads in various sections of the Province. This work was up to the standard approved by the Council of the Federal Aid Board and was subject to inspection by engineers of that Board, who expressed themselves well satisfied with the work being carried on. Owing to the Federal grant the Minister of Public Works was enabled to inaugurate the policy referred to at the last Session of the Legislature—having in view the expenditure of Funded Automobile Fees on the principal branch roads leading to the markets for disposal of agricultural products.

His Honour then dealt with the Government's Public Health policy and noted that its Department of Health had been "carried on with assiduity" and success. He intimated legislation to aid recruits in the Teaching profession at the Normal School by loans when required for completion of studies; referred to the Maritime Provinces' claim for more equitable financial arrangements with the Dominion, to the importance of preserving Provincial rights and to the question of Railway rates; stated as to the St. John and Quebec Railway that it had failed to become a part of the Transcontinental or to bring export traffic to St. John or to realize receipts equal to the Interest demands and promised legislation for funding amounts advanced to the Railway re Interest. A. Allison Dysart, member for Kent since 1917, was elected Speaker of the new House; the Address was moved by L. Murray Curren and Auguste Bordage and, after considerable debate, was passed without division. The Hon. J. B. M. Baxter, K.C., acted as Leader of the Conservative Opposition and, later in the year, became a member of the Meighen Government at Ottawa; A. C. Fawcett of Westmoreland was elected Leader of the United Farmers' Party in the Legislature; with the Judicial decision awarding the two Restigouche seats to Messrs. Stewart and Diotte, the standing in the House became 24 Liberal with 4 Independents from Northumberland supporting the Government, and against it were the Conservatives, Farmers and other Independents totalling 20.

On Mch. 30 Mr. Premier Foster introduced the Valley Railway Bill. He explained that it provided for the funding of Debts incurred during construction of the road and including $134,449 paid for Interest during construction, $42,000 outstanding on Oct. 31, 1920, for capital expenditure and $73,000 needed to clean up outstanding accounts; that the maximum amount to be bonded under the first clause of the Act was $250,000 with a suit pending against the Bank of British North America for $33,000 and claims not yet arbitrated upon totalling $25,000; that it provided for the funding of the net Interest amounting to $252,351 and for the balance of three years' interest at the

rate of $250,000 per year, or a total of $750,000 up to the end of 1922. He said that the time for construction of the Line from Centreville to Andover would expire on Dec. 31, 1921, and the agreement with the Dominion Government for a Subsidy at the same time. Under this Bill it was proposed to extend the time until Dec. 31, 1923, in case something arose which might make it necessary to extend the road. With respect to running rights from Westfield to St. John, he had hoped the Dominion Government would make the necessary arrangements, but negotiations had been carried on without result. Reference was made to the rental paid the C. P. R. for operation, and for which the Provincial Government was responsible, with $90,000 as the annual amount; he had sought and obtained a modification in terms which brought the total down to $35,000 per annum. The Bill passed in due course.

Hon. Mr. Veniot carried a measure relating to Storage waters on rivers, streams, and lakes, and providing that no dam or work which impounded water could be created without the approval of the Government; in the case of dams already in existence, it would be necessary to prepare plans and submit them to the Government; if that was not done the Minister of Lands and Mines would have power to prepare the plans at the expense of owners and, if not approved, the dams would be destroyed. Mr. Veniot also carried a Bill providing power to borrow $600,000 for the completion and construction of Permanent and other Bridges with a list of 79 under construction and 104 contemplated; Hon. C. W. Robinson amended the Forest Fires Act so as to make it more effective and to deal with the issuing of permits, the liability of owners of adjoining land, the matter of fighting fires on public as well as private lands; it provided that every stream-driving crew should have a foreman, whose duty it would be to look after the fires.

The Game Act was largely amended so as to give informants, as well as defendants, a right of appeal; to establish a close season for Beaver with permits required from the Minister of Lands and Mines; to prohibit at certain seasons and to regulate at others the hunting of caribou; to establish close seasons for all kinds of game with hunting licenses required and penalties fixed for violation; to provide, in the same way, for Fox protection for taxing Fur dealers with $50 license to non-residents and $10 to residents; to require yearly reports from fur-farmers to the Minister; to authorize establishment of game refuges with regulations and protection; to regulate guides under certificates, and to make heads of lumbering establishments, etc., responsible for offences against the Act by employees; to issue bird-licenses to hunters with a fee of $15; to establish or amend many licenses, fees, and penalties and to create a host of minute regulations for protection of game and defined duties for Wardens and other officials.

The Hon. J. P. Byrne amended the Schools Act to permit Trustees, authorized by School meetings, to borrow money to

an extent not exceeding 15 per cent. of the assessable property in the district and to allow the Chief Superintendent to allot $100 to districts which made provision for retarded pupils, with $100 to teachers who took special training for the instruction of such pupils. Mr. Byrne also had a measure amending the Act to regulate Public Utility companies and providing that shares should not be issued without the consent of the Board of Commissioners; the Public Utilities Board Act was also amended to compel returns from all Companies under specific penalities with a yearly return from the Board to the Government.

Mr. Veniot's Motor Vehicles Act of 1920 enabling the Government to borrow $800,000 on automobile fees was amended to more fully legalize this borrowing at the rate of $200,000 a year—including the past year; the Probate Court Act was amended to give the Judge certain additional powers; the Highway Act was amended to permit the Supervisor to take from the seashore gravel, etc., required for use on any highway without consent of riparian owner and to authorize the Governor-in-Council to make rules and regulations for the use of Highways; the Act relating to Highways under Federal Aid was amended and authorized the Government to borrow $350,000 in any one year and not to exceed the sum of $1,750,000 spread over a five-year period—retroactive also to Apr. 24, 1920; the Board of Censors Act was amended to eliminate the right of appeal from its decisions. The Corporations Tax Act was amended to tax Telegraph companies one per cent. of entire cash receipts collected within the Province and to declare that taxes or licenses by cities, towns, and municipalities on Banks and other corporations should not be more than the sum payable at the time the Act was passed. Hon. Mr. Mersereau had a Bill amending the Act for protecting sheep from dogs by empowering the municipalities, in cases where the Fund was more than sufficient for the purpose, to make use of it for other purposes. The Law Library Act and the Judicature Act were amended in details. Hon. Mr. Michaud had a Bill relating to the superannuation of persons employed in the Government service of the Province which was held over.

The Premier, on Apr. 14, introduced a Bill respecting additional remuneration for members of the Executive Council, providing increases for all Ministers holding portfolios, and drawing $2,100 each, in addition to the sessional indemnity of $1,000; no increase was provided for the Premier and the proposed scale was $3,500 each for the Attorney-General, the Minister of Public Works and Minister of Lands and Mines, with $3,000 each for the Provincial Secretary-Treasurer and the Ministers of Agriculture and Health. It passed after opposition from Conservatives and Farmers and the first division of the Session, which showed 23 for the Government and the Bill and 16 against. Mr. Veniot carried a measure removing Ferries subsidized by the Government, from Municipal control; Hon.

Mr. Roberts amended the Public Health Act so as to make provision for the collection of funds from municipalities which had failed to meet the estimates submitted by District Boards of Health. The Minister's speech was a valuable statement of the importance of this subject—covering Medical School inspection, general sanitation and social hygiene; in the latter matter he referred to venereal diseases and their prevalence in the Province.

Another measure dealing with Optometry practice forbade the peddling of glasses and provided that those engaged in the work of fitting eye-glasses must be properly qualified. There was an Act providing for the sale of the old Government House property to the Federal Government for $50,000; it provided, also, that the interest from the Trust Fund thereby created should be voted to the Lieut.-Governor to assist him in maintaining an official residence at Fredericton, as the capital of the Province. The Attorney-General carried a careful and elaborate Partnership Act containing definitions, laws of relationship one to the other, liabilities, profits, property, dissolution, etc.; other legislation included minor amendments to the Housing Act and the Education of the Blind Act; the City of St. John School Board was authorized to issue debentures, and Moncton, St. Stephen, Woodstock and Fredericton City authorities were given the same power; the County Court Act was elaborately amended as to Procedure and practice, appeals, Fees, damages, summons, costs, duties of Judges, jurisdiction in debts not above $400, rules, etc.

The Fire Protection Act, 1921, required licenses and yearly Fire Insurance Company statements; authorized the appointment of a Provincial Fire Marshal and the creation of a Fire Prevention Board; ordered the appointment of local assistants and officers and penalties for opposing action of the Board or its officers. The Forest Fires Act was amended to make compulsory the extinction of Camp fires, to impose penalties for refusal to assist in preventing fires from spreading and defining the duty of assistance in fighting fires; the Provincial Hospital Act regulated its maintenance, the Motor Vehicles Act amendments provided special licenses for owners of Motor trucks or Vehicles used for commercial purposes and the Cinematograph Act was amended to increase the Censors so as to appoint 2 women.

After prolonged discussion (Apr. 6) and various objections against extension, the Bill granting a longer time to the Grand Falls Power Co., Ltd., to obtain capital and proceed with the development of the water-power at Grand Falls, was passed. It was claimed that the Company, organized in 1911, was backed by strong financial interests both in Canada and the United States; that after organization it started to gather in important interests of private parties, and also rights held by the Federal Government; that it was not until 1914 that arrangements had

been completed so as to make possible the beginning of operations and then the War broke out; that the Legislature had, in 1916, extended the Company's charter until one year after the declaration of Peace; that an extension of its rights for a period of two years from the first of May, 1921, should be given. To meet the objections made and the demand of the people at Grand Falls for development, the Bill included a proviso that if action was not commenced at the end of two years to the extent of $150,000 the Government could declare all rights forfeited.

Resolutions passed during the Session included one which recapitulated the arrangements as to the National Transcontinental and the Valley Railway, reviewed the costs and difficulties of the latter undertaking, pointed out that other Provinces had guaranteed Railway bonds of hundreds of millions in value, and declared (Apr. 15) that "in the opinion of this House, the Dominion of Canada should continue its policy and acquire the St. John and Quebec Railway and relieve the Province of the liability incurred for the construction of the same." In moving the Resolution, Mr. Premier Foster said: "New Brunswick is particularly interested in the Railway situation, as very many of the Provinces have been relieved of obligations for interest and principal which they guaranteed to assist in the construction of railways. We think the same treatment should be meted out to New Brunswick, and this Province not be compelled to pay interest on between six and seven million dollars which we expended upon the Valley Railway. The debts and liabilities of the Canadian Northern taken over by the Dominion Government, amounted to $473,055,018, and of this $214,922,310 was spent in the Provinces of the Dominion outside of New Brunswick and P. E. Island." Mr. Baxter, Opposition leader, seconded the motion and it passed unanimously.

The Hon. Fred Magee presented a Resolution (Apr. 7) urging upon the Federal Government the policy of limiting application of the Preferential tariff agreement with the British West Indies to goods imported through Canadian ports; it was supported by the Leaders of the Opposition and the Farmers' group and passed unanimously. The motion of J. L. Peck, calling upon the Legislature to give land owners in Albert and Westmoreland Counties the right to oil and natural gas and shale, which was claimed by the Crown, caused a prolonged discussion in the Legislature on Apr. 7; it was withdrawn when Hon. Mr. Foster assured the House that an investigation into the matter would be had and a report made at the next Session. An elaborate Resolution (Apr. 15) was also passed dealing with the historic and general situation of the Province in relation to the Intercolonial and declaring, finally, that "the faithful observance of the terms and conditions of the compact of Confederation, and a generous national spirit, require that the convenience, accommodation and welfare of the people and of the industrial interests of the Maritime Provinces be steadily kept

in view as the primary purpose to be achieved in the administration of the Intercolonial Railway; and that such Railway having been constructed to serve a special purpose should be administered upon principles adapted to effect such purpose and as a separate system giving such advantages in freight and other rates to the people of the Maritime Provinces as will afford them access to the markets of other Provinces of the Dominion upon such terms as will admit them to fair competition." The House was prorogued on Apr. 15.

Educational Interests of New Brunswick. The annual Report of Dr. W. S. Carter, Chief Superintendent of Education in the Province, (June 30, 1921), stated a record enrollment of pupils, a record percentage of attendance, a record of attendance at the Normal School. The figures dealt with 1st and 2nd Terms in the school year and showed the number of Schools, respectively, as 1929 and 1973; the number of Teachers as 2,062 and 2,142; the number of pupils as 64,228 and 68,092 and the total attendance as 73,712; the average number of pupils present daily as 48,329 and 50,388, respectively. The popular subjects of study in the Common Schools were Morals, Physical exercise, Reading and Spelling, Drawing, Writing, Arithmetic, Health and Nature lessons; in the High Schools they were English Language and Literature, French, Geometry, and Algebra, History and Geography and Botany. The average salaries continued to increase and the totals in a ten-year period were as follows:

Class of Teacher	1911	1921	Increase
Grammar School	$1,050.80	$2,007.69	$956.89
Superior School	692.49	1,281.24	588.75
First Class, Male	677.26	1,524.68	847.42
Second Class, Male	349.23	778.60	429.37
Third Class, Male	270.62	569.91	299.29
First Class, Female	402.38	965.46	563.08
Second Class, Female	294.50	716.16	421.66
Third Class, Female	228.99	577.05	348.06

An incident of the year was the urgent request of the University of New Brunswick for additional aid to what was, practically, the Provincial University. In 1907 a Provincial Act had been passed granting $5,000 a year aid to the University; in 1911 this was increased to $17,000, in 1913 to $20,000 and in 1919 to $25,000. The appeal was based upon the costs of management and need for Extensions; from Mount Allison (Methodist), and St. Joseph's (Catholic) Universities came a request for similar grants on the ground that those institutions had been "rendering similar service to Higher Education without aid from the public treasury, and that their financial supporters would be obliged to contribute through the public revenues toward any grant made to the University of New Brunswick."

Mr. Premier Foster, in his reply to a delegation on April 12, stated that in these days of diminishing revenues, it was absolutely impossible for either of these applicants to receive aid from the Provincial Treasury: "The University of New Brunswick is just as much a portion of the educational system of the

Province as the public schools, and as such is entitled to and has previously received aid from the Government." Finally, Mr. Foster told the Legislature on Apr. 15 that the Government could not see its way to give the grant asked for by the Provincial institution; a policy would, however, be worked out and, meanwhile, as a State institution, the Government would meet its current deficit of $6,000. In this general connection Dr. J. D. Logan, Lecturer on Canadian Literature in Acadia University, told the Canadian Club at St. John (Jan. 18) that the waste of brain power in the Maritime Provinces was excessive in Colleges and Industries and Commercial enterprises alike; that salvation was to be found in the cultivation of an aristocracy of intellect from a combination of classes supporting the Universities.

The Universities of the Province. The University of New Brunswick at Fredericton suffered a decrease in attendance from its record of 181 in 1920, to 139 students in 1921—a large number of returned soldiers having graduated the previous year. In all 25 degrees were conferred at the annual Encoaenia on May 12, 1921, including 6 degrees of M. A. and 16 of B. Sc.; the honourary degree of Doctor of Law was conferred upon Lord Beaverbrook, "in absentia," and Hon. F. B. Carvell, Chairman of the Railway Commission, with one of M. Sc. upon William MacIntosh, Curator of the Natural History Society's museum at St. John. On Nov. 22, a deficit of $5,550 was reported by the Finance Committee, and a new scale of fees for the various courses at the University were considered; the Senate decided that the former rate of fees would hold good for the term but, beginning with 1922, a higher scale would be in effect. A petition was received asking that training in the Canadian Officers' Training Corps be made voluntary, and not compulsory, for under-graduates in the 1st and 2nd years. The students pointed out that other Universities either did not have C. O. T. C. units or had them on a voluntary basis—the matter was left over to next year.

Mount Allison University, at Sackville, instituted a campaign in February, 1921, following a Resolution of the St. John Methodist Conference on Aug. 31, 1920, to provide funds for the erection of buildings and to secure endowment to increase the salaries of the teaching staff; despite the effort being made at an unfavourable time, when financial reaction and business uncertainty conspired against success, over $250,000 was subscribed and this provided for a general increase of salaries to Professors of from 20 to 25 per cent. Moreover, during the College year, chairs were endowed by S. M. Brookfield, Joseph Allison, and by Col. Frank B. Black, in memory of the late Joseph L. Black and these contributed considerably to the material benefit of the institution. A question of importance came to a head on Apr. 12, when representatives of Mount Allison and the University of St. Joseph's College met the members of the Government and urged that their institutions be given grants equal to any additional amount voted to the University of New Brunswick. It was set forth that these Colleges were giving a service to higher education similar to that of the University of New Brunswick, while St. Joseph's representative affirmed that its principal educational work was for people, who, owing to language and other circumstances, could not benefit by the assistance afforded to any other institution. Rev. L. Guertin, President of the University of St. Joseph's College; Rev. George Steel, Chairman of the Regents of Mount Allison; Rev. Dr. B. C. Borden President of Mount Allison and Hon. Josiah Wood, Treasurer of Mount Allison University, as the representatives, signed this petition which was presented to the Government. The number of students in attendance for 1920-21 was 265, of whom 29 received

graduate degrees in Arts, and 22 certificates of Engineering; at the Theological convocation on Apr. 11, 6 students graduated.

The United Farmers of New Brunswick in 1921 had a year of activity in both economic organization and politics. The 3rd annual Convention met at Fredericton on Feb. 1-2 and was the largest ever held in its history; 200 delegates from 141 local branches gathered for the meeting; political issues were fearlessly discussed and old party ties denounced with a spirit of agricultural fraternalism dominant. Following a brief address by President T. W. Caldwell, M.P., the Secretary-Treasurer, C. Gordon Sharpe, presented his Report with the important announcement that their Association had linked up with the Canadian Council of Agriculture. In reviewing the year's work, he noted that, through the Foundation Fund, several Counties had been organized despite some opposition to the subscription of $10 required from each member for this Fund; he added that if the fees had been all paid in, the total would represent 10,000 members; he urged the need for regular and educative meetings and more voluntary effort.

The Financial statement showed a total revenue of $8,711 and expenditures of $8,311, including $599 charged as Campaign fund. William Irvine, the Provincial organizer, with others, spoke against the organization of a political machine until they had strengthened the local branches, made each meeting an educational success and organized every parish. F. G. Calder, the representative of the fishermen of Charlotte County, pointed out the advisability of co-operation between the farmers and fishermen; urged the conduct of a wide educational campaign; and suggested the elimination of unnecessary middlemen who forced the Fishermen to pay from 50 to 75 per cent. more for farm produce than the Farmers received for it and *vice versa.* The second day was chiefly occupied with the discussion of the Provincial platform which was dealt with clause by clause, and passed exactly as prepared by the Committee with the exception of one word. It was, in brief, as follows:

1. That Election laws be made and administered to eliminate bribery and that a uniform ballot be provided.
2. That the Patronage system be abolished and competency count in appointments.
3. That the Provincial road policy be development of County roads, in connection with Trunk roads to transportation centres, so as to ensure facilities for marketting products.
4. That manufacture, importation and sale of intoxicating liquors in the Province be entirely abolished.
5. That a complete and reliable system of Crop statistics be established, and prompt reports given to assist farmers in securing the best markets.
6. That well-equipped Abattoirs be established in the Maritime Provinces as essential factors in the development of live-stock.
7. That a systematic method for thorough protection of Forests, from fire and too close cutting, be maintained; that stumpage on Crown Lands be based on the market price for finished products, and that stumpage rates be not less than $5 per thousand.

8. That the Hydro-Electric policy should develop the water-powers of the Province whenever the potential consumption would ensure a revenue to meet the interests and maintenance charges of the capital invested; that no water-powers be allienated; that water-powers being held out of use by private parties should revert to the Province unless developed; that Electric energy be made available to all persons, rural as well as urban, on equitable terms.
9. That a system of Co-operative Credits be established.

Trade and Tariffs—the vital principle of the Western Farmers' platform—were not mentioned. At this meeting the 6 farmer Members of the Legislature were present and entered into the discussion. The clause referring to forests came in for criticism on the ground that too close cutting was going on and causing injury to timber, also that individuals were getting rich at the expense of the Crown Lands, and the public was being deprived of revenue it needed. President Caldwell led a discussion on the question of Rural Credits and the workings of the policy in other Provinces, and urged that the plan maintained in Manitoba should be incessantly sought after in New Brunswick. As to the official organ of the body, *The Farmers' Guide*, G. Grassie Archibald reviewed the difficulties met with, and asked from the farmers a more interested support. He charged that the regular press was unfair to the Farmers; that reports of the Convention were distorted to bring disrepute to the organization and its aims; that the newspapers were using insidious propaganda and the only real truth for the farmers would be found in the official newspaper. It, therefore, deserved their support.

Major G. S. Kinnear, of Sussex, appeared before the Convention on behalf of the Milk producers of King's County, and outlined a prospective distributing scheme for the City of St. John. He said there would be no trouble in raising $100,000 for such a plant. R. W. E. Burnaby, President of the U. F. O. and the Canadian Council of Agriculture, delivered an address but kept his remarks to the work and policy of the latter organization, which, he declared, was the go-between of the Farmers with such corporations as Railways, Telephone Companies and similar bodies; incidentally, the majority vote was in the hands of the East and no Resolution could go through except by unanimous vote. He deprecated the fuss and fury over the high tariff; purification was needed in public affairs, and there was no one in sight for the effort but the Farmers' party. On Feb. 3rd politics came to the fore and it was decided to place a candidate in the field to contest the forthcoming bye-election in York-Sunbury. A large number of Resolutions were introduced and the following were passed declaring:

1. That no increase in Sessional indemnity to Local or Federal members should become effective until confirmed by an Election and that all members now elected be instructed to reduce indemnities.
2. That the Government should enact legislation for securing the new lands of the Province for the benefit of the people.
3. That the N. B. Telephone Co. should be compelled to extend their service to any section of the Province when signed applications from

two persons for every one mile along the line of the proposed extension were received, and that all telephone charges for the same kind of service should be uniform in all portions of the Province.

4. That the United Farmers is an Industrial group, having a particular part to play for its own interests; that it should remain such and unite only with such groups as will assist in securing its ends; that its Legislative representatives be instructed that there should be no permanent alliance with either of the old Parties.

5. That Farmer members elected to the Legislature be permitted to carry on the business of the people who elected them, and not be compelled to bow under the yoke of the Patronage system.

This last Resolution, though carried, evoked criticisms from the members of the Legislature in attendance, who did not desire to have their action in the House so definitely controlled. A Resolution pertaining to the Recall was referred back to the local branches for further consideration; it proposed a plank in the Platform to the effect that a petition, with 25 per cent. of United Farmers signing it, should be a notice to the Member that he must resign his seat. The officers for the ensuing year were elected: President, Thomas W. Caldwell, M.P.; 1st Vice-President, J. F. Reilly, Melrose; 2nd Vice-President, John Inch, North Keswick; Secretary-Treasurer, C. Gordon Sharpe. On Mch. 12, the Board of Directors met in Woodstock, to consider matters of organization and social betterment. The most important business was a Resolution addressed to the Government:

(1) That the Legislative Assembly of the Province should increase the annual Provincial grant to the University of New Brunswick to $50,000; (2) that it should provide $10,000 for a public Extension Library with books on practical agriculture, on social, economic and labour questions of the day; (3) that it should make a special grant of $65,000 to assist in the erection of a proper and fitting Memorial building for the University of New Brunswick.

A thriving off-shoot of this organization was the United Farmers' Co-operative Co., Ltd., which, while it only commenced operations on Sept. 9, 1918, had at the end of 1920 an authorized capital of $299,000, of which $268,000 was paid up. The membership had then passed the 4,500 mark; 23 stores were in operation in various parts of the Province; the deposits in the Central Offices exceeded $100,000 a week. The system of business was, originally, a retail supply store for members of the organization, to whom dividends, as well, were paid; later there developed a Farm Produce Branch through which the Company handled produce on a brokerage basis. Under the Constitution each local branch was made responsible for its own profits and losses, the idea being to reward local loyalty; all these were under the supervision of a Board consisting of one Director from each Branch, elected at the annual meeting of the shareholders; from this Board the officers and members of the Executive Committee were chosen and those in office at the beginning of 1921 were: President, H. T. Rogers, Northampton; 1st Vice-President, W. S. Poole, St. Stephen; 2nd Vice-President, Scott McCain, Florenceville; Secretary-Treasurer, Mrs. C. A. King; General Manager, S. H. Hagerman.

Events and Conditions in Prince Edward Island during 1921.

This garden Province, with its small, rich areas, its beautiful scenery and prosperous people, had, in 1921, experiences similar in form though not in force to those of other and greater Provinces. Its total Agricultural wealth, according to Federal estimates, was $75,491,000 and, as its population by the Census figures of this year, was only 88,615, it will be seen that every man, woman and child averaged nearly $1,000 in resources; as a matter of fact, the people were chiefly rural—69,522 to 19,093 urban—and there were few industries. There were the usual decreases in values of Agricultural production; the total crop production was $14,202,970, which included Spring Wheat valued at $573,000, Oats at $2,560,000, Barley at $110,550, Mixed grains at $393,520, Potatoes at $2,684,600, Turnips at $1,336,400 and Hay at $6,455,200. Oats decreased $1,000,000, Potatoes $1,300,000, Hay $1,400,000. Horses in the Island numbered 31,311 in 1921, Cattle 138,195, Sheep 131,763, and Swine 42,447; in values horses (according to Federal figures) were worth $2,637,000, Cattle $3,861,000, Sheep $654,000 and Swine $688,000 or a total of $7,840,000 with a decrease in the year of $4,300,000. Compared with preceding years the gross agricultural revenue of the Province in 1921 was as follows and it also illustrates the deflation in prices:

Products	1918	1919	1290	1921
Field Crops	$16,278,000	$22,367,000	$18,530,000	$14,203,000
Farm Animals	1,772,000	2,315,000	1,682,000	1,059,000
Wool	296,000	370,000	185,000	98,000
Dairy Products	1,600,000	2,231,000	4.102,000	4,102,000
Fruits and Vegetables	300,000	300,000	300,000	300,000
Poultry and Eggs	720,000	720,000	810,000	990,000
Fur Farming	833,000	833,000	767,000	679,000
Total	$21,799,000	$29,136,000	$26,376,000	$21,431,000

In Fur farming the Island headed the list of Canadian Provinces with, according to the Dominion Bureau of Statistics, (1920) over one-half of the total number of 306 Canadian furfarms, with Foxes valued at $3,018,870; there were 4,000 pairs of breeding animals and the return from pelt sales ran to $1,000,000 with $500,000 more for live animals sold abroad; the effort to recover from the boom days of 1913-14 and to place this business on a sound basis was still proceeding with the Charlottetown Silver Fox Co., Ltd., Silver Foxes & Furs, Ltd., and Rogers-Payton Silver Black Fox Co., Ltd., as, probably, the best-managed of surviving institutions. The Fisheries of the year showed a total value of $924,529—a decrease of $784,194 or 45 per cent.; lower prices were the chief of the reasons involved, and Lobsters the main element in the loss, with a product of 31,155 cases, in 1921, worth $634,744 compared with 40,322 cases valued at $1,381,477 in 1920; the average value of canned lobster in 1921 was $20 and in 1920, $34 per case. The total value of imports was $1,248,256 and exports, $593,013 for the period ending Mch. 31, 1921.

The Government of the Island was Liberal and the result of a sweeping victory in 1919, when Hon. J. H. Bell, K. C., became

Premier with a majority of 24 to 6; the Hon. C. G. Duffy was Speaker of the Legislature. The Public Accounts for the year of Dec. 31, 1920, showed Ordinary Receipts of $706,476 and Ordinary Expenditures of $659,516; there were special receipts of $42,182 and special expenditures of $85,890 with a net Surplus over all of $3,200. The chief items of revenue were Dominion Subsidy $372,181 and Land and Income Taxes of $188,591; the chief expenditures were $211,547 on Education, $135,157 on Public Works, $120,166 on the Falconwood Hospital and $61,140 on Highways. The Liabilities of the Province were $1,228,822 and Assets $26,106, but it was claimed that the Island had an offset of over $800,000 standing to its credit with the Government of Canada at Ottawa.

The Hon. J. H. Bell, K.C., as Provincial Treasurer, delivered his Budget Speech on Apr. 6 and first referred to the construction of 60 miles of roadway under the Federal Highways Act at a cost of $100,000 and without borrowing money for the purpose; stated a surplus of $3,253 as compared with the preceding Government's deficit of $253,000 and mentioned uncollected but collectible 1920 taxes of $128,000 and unpaid Government accounts of $15,000 with a Debt reduction of $22,612; specified the additional and large payment to Teachers of $80,000, the fixing by statute of a minimum wage for Teachers, the provision that every district should pay a proportion of the teacher's salary and the establishment of an Agricultural Technical School with, also, provision for the medical inspection of schools and teaching of Music and Singing at the Prince of Wales College.

Mr. Bell reviewed the general policy of the Government and its refusal to operate or carry on the Dalton Sanitarium because of the expense of $100,000 a year; its refusal to spend $1,200 a year or indeed, anything,upon the maintenance of Government House; its practice of having all contracts put up for public tender and its economical change in the management of Falconwood Hospital; its Taxation principle that every man should share in the burden of government and pay a tax whether he owned property or not. This policy of a graduated Income Tax was, he explained, a system under which the smaller incomes were exempt or lightly taxed and the larger incomes more heavily burdened. The larger the income the higher the rate. The man with an income of $500 only was exempted—the man with $5,000 income would pay 4 per cent. or a $200 tax. The Opposition, he claimed, had assented to this principle as well as to the fact of $750,000 of revenue being necessary. He added that: "If a man's wealth consisted of personal property—as goods in a store—this personal property should be taxed just the same as if the wealth were invested in a farm."

It may be added that in consequence of its high credit the Province was enabled to sell in October, 1921, $100,000 10-year, 6 per cent. bonds for Highway improvement at 99·199, which were the highest prices obtained for Government bonds

for the year, up to that time, in Canada. The Hon. C. W. Crosby, Commissioner of Public Works, reported as to 1920 the construction of minor highways and bridges and new contracts made; the Hon. W. M. Lea, Commissioner of Agriculture, and Treasurer, reported 1920 as a successful year for the farmer, but his opinion of 1921 is not available at time of writing; R. H. Rogers, Chief Superintendent of Education, reported for 1920, 454 schools and 580 departments, 17,354 pupils enrolled, a daily average attendance of 10,991 and a total expenditure on Education of $342, 648 of which $211,618 was by the Government and $131,030 District collections.

The Island Legislature was opened on Mch. 10th by His Honour Murdock MacKinnon, Lieut.-Governor, with a speech from the Throne, which began by welcoming Lord Byng of Vimy to Canada and referring, with gratification, to the Washington Conference and the Anglo-Irish Treaty. His Honour then referred to the Government's Road policy under which it had, in the past year improved 180 miles of public highways and replaced 250 wooden bridges by permanent concrete structures; stated that Education had made substantial progress with larger salaries to Teachers and an extension of a course in teacher training at the Prince of Wales College and Provincial Normal School together with very successful School fairs and excellent products shown by the children; mentioned the taking over of a brick and tile plant at Richmond by the Government, and improvements in the Dairy herd at Falconwood with, also, great progress at the new Agricultural School where attendance had doubled and further modern equipment been provided; stated that the Potato Growers' Association had recently extended its field of operations, and sent forward to the markets of the United States 60 car-loads of inspected seed potatoes which realized $40,000 more than if sold for consumption. J. D. Stewart, K.C., was selected as Leader of the Conservative Opposition in succession to the Hon. A. E. Arsenault who was promoted to the Bench. During the Session 36 Bills were passed of which the most important was an Act incorporating the P. E. Island Light, Heat and Power Co., Ltd., with a capitalization of $2,000,000, for the purpose of operating throughout the Island from one central Coal-burning plant.

A Resolution was passed asking the Minister of Railways to reduce the freight rates on Potatoes by one-third, until June 15, so as to enable the farmers to dispose of their surplus stock. The Road Act was amended in details as was the Public School Act making the school age from 6 to 15 years; the Amalgamation Act of Prince of Wales College and the Provincial Normal School was also amended and a measure passed taking advantage of the Federal offer to aid in establishing a Provincial Agricultural and Technical School, with the necessary funds provided, and the Provincial Government given authority as to courses, examinations, fees, scholarships, etc.; an Act respecting Arrears of

Taxes dealt with assessments, collections and the necessary legislation to enforce payment—suspending, also, the Lobster tax of 15 cents a case; an Act respecting Appeals, an Act permitting British barristers, solicitors and attorneys to practise in the Island upon payment of certain fees, and Acts respecting Fire Insurance Agents and the registration of Life Insurance agents were duly passed, while the Life and Accident Insurance Act was largely amended. An Act was also passed enabling the Province to take advantage of the Dominion Technical Education Act and co-operation while amendments to the Public School Act required every child to attend school on 60 per cent. of the school days each month, unless with a valid excuse for non-attendance. Previously children residing in Charlottetown or Summerside were obliged to go to school for 30 weeks and those in the other parts of the Province for 20 weeks. The Legislature was prorogued on Apr. 27.

Prohibition in P. E. Island still continued, after many years of operation, in varied forms and with varied powers, to not yet fully operate—despite the fact that even a "private cellar" was illegal. Some physicians, here as elsewhere, were too free in granting prescriptions. According to a statement issued by the Commission charged with the administration of the Liquor laws, 34,200 certificates were given by physicians from July 15, 1919 to Mch. 1, 1920. The sales under these certificates amounted to 173 packages of beer, 1,225 cases of whiskey, 1,100 cases of rum, 250 cases of brandy, 55 cases of port wine, and 94 cases of gin. At the close of 1921 there were five vacancies in the Legislature with 21 Liberals, 3 Conservatives and 1 Independent as the current membership.

The United Farmers of Prince Edward Island, which had formally organized on Sept. 29, 1920, met in their 1st annual Convention at Charlottetown on Jan. 25, 1921, with 200 members in attendance. The provisional President, J. A. Dewar, M.L.A., stated that various efforts were being made by the partisan press to cast discredit upon the movement and he declared all sectional and partisan statements were bound to re-act upon those who made them. The Secretary, Preston Ellis, reported that 16 Locals had been formed with a membership fee of $1.00 charged, and 130 members paid up; expenditures to date were $67.41, and the balance on hand $62.59. Among the speakers at the Convention were William Irvine, organizer for the U. F. N. B., and R. K. Tracey, M.L.A., President of the Maritime United Farmers' Co-operative Ltd., Centreville, N.B. The question which evoked most interest was that of rail transportation conditions on the Island and connections with New Brunswick, and the following Resolution embodies the complaints and suggestions of the meeting:

Whereas, the transportation provided by the C. N. R. from the mainland to Sackville is insufficient, both with regard to freight and passenger traffic, in speed and rolling stock and in live-stock shipping facilities with the rates extremely high; and, whereas, our connection with the

Mainland now depends upon one car ferry steamer; and, whereas, it is impossible to operate effectively where two gauges of Railway are operated on the Island; and, whereas, many railroads are built in Canada in districts sparsely settled costing tens of millions of dollars, while the most thickly settled Province in Canada has not even a wide gauge road throughout the Province; therefore resolved that we, the United Farmers of P. E. Island, request the United Farmers of other Provinces to join us in pressing upon the authorities the necessity of providing at least a wide-gauge road all over the Province, and a second car ferry steamer to make safe railroad connection with the Mainland.

Another Resolution, adopted unanimously, urging the organization of the whole Province in the United Farmers, while a third, recommending reduction of the number of members of the P. E. Island Legislature from 30 to 15, was referred to the local branches for consideration. The officers elected for the ensuing year were: President, Horace Wright; Vice-Presidents, George Ellis, W. W. Crosby, Edgar C. Giddings; Sec.-Treas., Preston Ellis, Tyne Valley.

MANITOBA

AND

SASKATCHEWAN IN 1921

The Government of Manitoba: Politics and Legislation in 1921.

The political situation in Manitoba during 1921 was of the most mixed nature known to Canadian Provincial history; it was essentially a matter of Groups so far as the Legislature was concerned; the Government itself, was nominally Liberal in politics and construction, but was absolutely dependent upon alliance with one or more of the other groups. The Ministerial party in the House was composed of 21 members and was the largest. The official Opposition of Conservatives numbered 7 and fought the Government keenly with a leader in J. T. Haig, K.C., who was sometimes rather radical in his affiliations. Another group was made up of 5 French-Canadians and 2 Ruthenians of varied nominal politics, but devoted to a change in the School system and antagonistic to the Government as representing a settled policy of opposition to Bi-lingualism in Education; most of them were farmers and were often included in lists of the Independent-Farmer group with which, also, they were inclined to act.

The Labour group of 11 members had not been elected in any special opposition to the Norris Government and was not cohesive in general principles and policy, though acting under F. J. Dixon as Leader. It represented two distinct lines of thought—the Social Democrats and One Big Union sections; individually, it included the moderate trades-union views of G. H. Palmer of Dauphin, and the revolutionary ideas of George Armstrong—still undergoing sentence for the 1919 Strike affair —and the opinions of A. E. Kristjanssen who was elected as a Farmer, but in 1921 voted with the Labour party. Lastly there was the Farmer group of 9 members acting under William Robson as leader and elected as independents—not in opposition to the Government, particularly, nor as official representatives of the United Farmers or of Mr. Crerar's party. They practically embodied a trial venture by the Farmers to test their strength in the Province.

Such was the product of the 1920 Elections and the net result was that the Norris Government remained in office during 1921, though not in power. The Lieut.-Governor, who held the scale of non-partisan administration in this situation, was Sir James Aikins, an old-time Federal Conservative, and he did it well; with speeches which were acceptable from time to time whether delivered in City or in the country; whether as President of the Canadian Bar Association, or as an exponent of Can-

adian patriotism, or in reference to purely local matters. On Dec. 10, he received a Loving-cup from the Bench and Bar of Quebec as a far-away compliment upon his 70th birthday. The Hon. T. C. Norris, as Premier, handled matters with a measure of political success; without a majority in the Legislature he passed through a three months' Session un-defeated and with only one Government measure not carried; this despite keen and repeated efforts of some Opposition groups to effect a hostile combination in a House where the Government had 21 members against 34. Two special developments marked the 1921 Session —one was the co-operative action at times of the Conservatives and extreme Socialists and the other was the tendency in the larger part of the Farmers' group to support the Government. The Dominion Elections evolved another complication, growing out of the 1917 differences as to Union Government, with a straight Liberal wing of that party and a section which was said to favour co-operataion with the Progressives; in the end, Manitoba was the only Province not represented in the Mackenzie King Cabinet.

The only change in the Norris Government during the year was the appointment of Lieut.-Col. C. D. McPherson of Portage la Prairie, a newspaper publisher, as Minister of Public Works in succession to Hon. G. A. Grierson who had resigned on account of ill-health. Colonel McPherson, with one year's intermission, had been in the House since 1910; he was sworn in on Jan. 20th and was re-elected in Lakeside on Feb. 7th after a keenly-contested campaign with E. H. Muir, Independent Farmer candidate; the Premier and other Ministers spoke in the constituency and claimed that they embodied, practically, a Farmers' Government while W. W. Robson, the Farmers' leader, opposed this contention and was aided by P. A. Talbot, Independent Conservative; the vote was 1,176 for the Government candidate and 1,020 for the mixed Opposition—a majority for Colonel McPherson of 156.

Meantime, on the question of Provincial control of Natural Resources, Mr. Premier Norris had maintained the traditional fight of Manitoba parties for what they considered the rights of the Province in this respect; at the recent Conference of the Dominion and Provincial Governments at Ottawa (Dec. 15, 1920) Manitoba and the West had presented their case while counter claims from the Maritime Provinces had developed and the meeting closed without agreement or settlement; an elaborate correspondence between the Dominion and Manitoba Premiers followed and was made public on Apr. 11. Under date of Dec. 7, 1920, Mr. Meighen stated that a settlement of the question upon the lines suggested by the Western Provinces could only be made with the consent of the other Provinces of Canada. As this seemed impossible he suggested a modification in these proposals; Mr. Norris presented again the Western Memorandum prepared for the 1920 Conference on the matter but its proposals

were ruled out as impracticable; on Mch.10, 1921, Mr. Norris wrote again that he would, as representing the Province of Manitoba, "not concur in any abatement" of these proposals or "concede the interests of the other Provinces, as such, in our Natural resources."

He maintained that if the general principle was granted and rights of the West accepted, details and methods could be easily arranged. As to the Dominion Premier's specific proposal: "I feel compelled to decline to concede, much less suggest, any abatement of the Subsidy in lieu of Lands unless an accounting upon the fiduciary basis set out in our Memorandum discloses a balance against the Province." Following this the Legislature once more, on Apr. 11, reiterated its demand in this connection by a Resolution moved by the Premier and seconded by J. T. Haig, which reviewed the alleged Provincial rights and declared emphatically that the Province was "entitled to compensation upon a fiduciary basis for all public lands and natural resources alienated by the Government of Canada for the purposes of the Dominion."

On May 20, Mr. Norris, J. T. Haig, K.C., F. J. Dixon and W. Robson, the four Group leaders of the Legislature, were at Ottawa pressing these claims upon the Dominion in a Memorial presented by Mr. Norris to the Cabinet of which the salient points may be summarized: (1) that Manitoba in common with every self-governing Province in the British Empire, was entitled to its Natural Resources; (2) that this right lay from July 15, 1870, when it entered Confederation; (3) that as this was a matter of land, etc., not of Subsidies, no other Province in Canada was concerned in the settlement; (4) that assuming there was no objection to transfer of the unalienated resources, the question became one of compensation for those alienated; (5) that adjustment should be made on the general ground of alienation of resources which would otherwise have been a source of revenue to the Province; (6) that compensation should be made upon the basis of a flat valuation at a time set by mutual agreement. Mr. Meighen expressed his opinion that the Resources should be returned—with the question of terms as the chief stumbling block; that the terms must be such as would pass the Dominion Parliament; that the other Provinces had interests in the matter and that this was felt by Parliament; that the grievance was not so great as the Prairie Provinces thought and that the Commons would never accept an arrangement on a fiduciary basis. While in Ottawa the Delegation waited upon the Soldier Settlement Board as to some criticism current in Manitoba and received information which, apparently, was quite satisfactory.

Another Dominion and Provincial matter in which the Norris Government was interested was the Lake of the Woods power legislation at Ottawa and Toronto; Winnipeg and other parts of the Province were vitally concerned in the Winnipeg

River power. As the Manitoba *Free Press* put it (Apr. 30); "It would be a strange thing if Power plants already established, on which a City of this size depends for its lighting, its street railway service and other domestic and commercial purposes, are to be seriously jeopardized, as they would be, by allowing the waters higher up to be used by an entirely new commercial enterprise in such a way as to provide a very intermittent and fluctuating flow of water on the Winnipeg River." Mr. Norris joined Ontario in the first plans of combined policy in the Backus matter;* he was in conference at Ottawa on Jan. 31 with the Dominion Premier and Mr. Drury and accepted the proposed Dominion-Ontario Control Board; he pressed the Federal Government for action which would prevent private interests, such as those headed by E. W. Backus, from dominating existing power developments on the English and Winnipeg Rivers in Manitoba by securing a commanding position on the English River in Ontario. Later, when Ontario complications intervened, the Manitoba Government was satisfied with the Dominion control of the Lake of the Woods water-levels and the adjustments made by Federal legislation.

The Temperance question in Manitoba was an ever-present one—with or without Prohibition. The 5th annual Report of the Chief Inspector, under the Provincial Temperance Act, was issued in 1921 for the calendar year 1920, and showed 740 convictions for infraction of the Act as against 610 in 1919; the fines imposed were $121,826 compared with $105,465; during the year 5 wholesale druggists' licenses were issued and 164 retail druggists were licensed; there were 155 of the latter in force on Dec. 31. The amendments to this Act, passed in 1920 and following the Plebiscite came into force on Feb. 1st, 1921, and, with the co-operation of the Dominion law, importation was banned; licenses to wholesale druggists thereupon ceased to operate and retailers and others who could legally purchase liquor did so through a Government vendor from a warehouse established at Portage la Prairie. On Feb. 24, under authority of the Provincial Council of Physicians and Surgeons, 16 Manitoba physicians were suspended for periods ranging from one week to six months, as a result of the wholesale issue of prescriptions for whiskey as a beverage. One of the Doctors gave 10,000 prescriptions during a one-month period and 12 of the physicians practised in Winnipeg.

On Oct. 5th the Moderation League of Manitoba, which had in hand the fighting of absolute Prohibition and the advocacy of Government control and sale of alcoholic liquors, held its annual meeting in Winnipeg with Lieut.-Col. William Grassie, D.S.O., President, in the chair. He announced 16,000 paid-up members and stated that the Petition asking the Government for a Referendum on the proposed policy had been signed by more than 18,000 persons. He declared that the situation was worse to-day

*Note.—See preceding pages in Ontario Sction.

than it had ever been—worse morally, economically, and in every way; claimed the present legislation to be oppressive, because it denied them the right to exercise the freedom of will which the Almighty had given; alleged the Act to be absurd, illogical and absolutely wicked because it made a man a criminal when extending hospitality to a friend. Major G. W. Andrews, D.S.O., M.P., and Dr. M. R. Blake, M.P., also spoke; the President was re-elected with A. J. Andrews, K.C., W. J. Christie, Lieut.-Col. A. C. Gray, G. F. R. Harris, P. C. Locke, Hon. Robert Rogers, Colonel R. M. Simpson, C.B.E., D.S.O., M. J. Stanbridge, M.L.A., and others, on the Executive.

The Minister of Agriculture (Hon. G. J. H. Malcolm) had a difficult Report to make and some unpleasant conditions to record in 1921; at the same time the Government had done much for the farmers and, up to the close of the year, through various agencies had loaned about $8,000,000 to the agriculturalists of the Province. The Deputy Minister, J. H. Evans, referred in his statement to the strong preventative measures taken by the Department as to rust, grasshoppers, wheat-stem, saw-fly and smut, described them as agricultural plagues and indicated the causes and methods of treating the problem, stated that while the grasshoppers affected a wider area than usual they had done less damage to crops because (1) there was an abundance of green feed and (2) of the well-organized effort made by farmers, municipalities and the Government. He described the Live-stock position as a serious one and "cheaper production, better classes of live-stock, marketting less during the glut season, placing on the market a more finished product, meeting market requirements in type, cheaper transportation—both on rail and ocean—with access to markets now beyond our reach" as the only means of meeting the situation.

Mr. Evans stated that the Royalty on furs had proved effective with $40,000 collected during the year and the Produce Dealers' Act—for licensing dealers in farm products—had been useful and preventative of abuses; declared that there would soon be available the "complete and elaborate information resulting from the Agricultural Survey carried on during the summer by the Staff of the Manitoba Agricultural College under the able direction of President John Bracken"; mentioned several important Conferences which he had attended—Western Canadian Live-Stock Union, Manitoba Live-Stock Breeders, U. F. M. and U. F. W. M., Agricultural Societies, Women's Institutes, the Canadian Produce Dealers' Association in Montreal, and a succeeding Conference of Deputy-Ministers at Ottawa to discuss co-ordination and co-operation.

L. A. Gibson, Dairy Commissioner, reported as to milk products during 1921, a total of 8,550,105 pounds of Creamery butter valued at $3,163,538; 9,888,103 pounds of Dairy butter worth $2,274,263; 269,524 pounds of Cheese valued at $51,209 with milk, ice-cream and cream valued at $7,100,419. The total

of Dairy products was $12,589,431. Reference was made to the new regulations making licenses necessary for all persons engaged as milk or cream testers and to the success of Manitoba in the Dominion Educational Scoring Contest as to Creameries. Other Reports submitted to and supervised by Mr. Malcolm as Minister, were those of the Weeds Administrator (S. A. Bedford) and of W. W. Fraser as Live-Stock Commissioner; of the Publications Branch, under George Batho as Editor, with statistics and publicity in charge and a printing and circulation of 175,650 Bulletins, 96,850 Circulars, etc., 16,770 posters, placards, etc., and 210,790 of miscellaneous printed matter.

There were, also, the Game Branch covering $74,549 in revenue and the shooting (1920 returns) of 139,216 ducks, 36,838 prairie chickens, 5,682 partridges, etc., with 1,277 Moose, 591 Elk, 698 Deer and 20 caribou shot or captured; the Manitoba Branch Employment Service Bureau showing 75,414 placements made compared with 92,613 in 1920; the Women's Institutes whose Director reported 118 of these organizations with $23,000 raised during the year and much energetic effort along Community lines; the Agricultural Extension Service covering 14 divisions, each under individual direction, and including Agricultural and Horticultural Societies, Lectures, Travelling Libraries, Short Courses, Women's Institutes, etc. The Extension Council, which supervised and helped the work, and acted as a clearing-house for ideas and plans, with various working Committees, was as follows:

John Bracken	President, Agricultural College (Chairman)
Mrs. M. K. Guild	Director, Home Economics, M.A.C.
Mrs. D. Watt	President, Women's Institutes
Mrs. J. S. Wood	President, United Farm Women
Robert Fletcher	Deputy Minister of Education
R. B. Vaughan	Director of Technical Education
Dr. R. C. Wallace	University of Manitoba
James H. Evans	Deputy Minister of Agriculture
S. T. Newton	Sup't. Extension Service (Secretary)

The Railway Commissioner (Hon. T. C. Norris) reported for 1920 that the lines in operation within the Province totalled 4,463 of which the C. P. R. stood for 1,724 miles and the C. N. R. Government Railways and G. T. P. stood for 2,323 miles. It was stated that the Province continued to be protected by the Dominion authorities with respect to the Provincial Guarantee of certain debentures and stock issues of the C. N. R. Company, given since 1904, and amounting to $25,502,873 and that the projected line of railway in Northern Manitoba from The Pas to the big Flin Flon copper deposits was under survey with an estimated length of 85 miles. All reports showed that construction would open other commercial enterprises and large mineral deposits of gold, copper and sulphides.

The Report of the Department of Public Works—Hon. C. D. McPherson, Minister—for the year of Nov. 30, 1920, included many statements of officials and the summary of operations by S. C. Oxton, Deputy-Minister. Under this Department were the new Parliament Buildings—as to which cracks developed

during 1921, due to faulty construction of caissons beneath the building; the Brandon and Selkirk Hospitals for Mental Diseases with 953 patients and 191 members of Staff—with, in the latter case, a building officially described as a fire-trap; Home for Incurables, Aged, and Infirm at Portage with 142 inmates and 60 members of Staff; the Manitoba School for the Deaf and Detention Home in Winnipeg with the latter building described by Mr. Oxton as unfit for its purpose. The Good Roads Board of Manitoba reported to this Minister for 1920 with a record of construction exceeding any in the history of the Province and including 229 miles of road gravelled, 845 miles improved, 129 concrete structures built and the following moneys expended:

Description of Work with Expenditures	During 1920		From Inception of the Act to Date	
	By Municipalities	Government aid Given	By Municipalities	Government aid Given
Market Roads	$1,528,748	$670,199	$2,573,589	$1,127,713
Provincial Highways	425,766	279,422	902,085	588,988
Pavements	45,446	22,723	984,799	320,757
Bridges	452,732	222,166	956,009	449,434
Total	$2,452,692	$1,194,510	$5,416,482	$2,486,892

The Highway Commissioner was A. McGillivray. One of the vital elements of the Road problem, and a permanent one, was that of maintenance and A. C. Emmett, Secretary of the Winnipeg Automobile Club, on Oct. 29 expressed this view: "The absolute lack of proper maintenance of the highways is the curse of the present system of municipal control. Until such time as sufficient public interest can be aroused to obtain the adoption of a more centralized system of control, just so long will the taxpayers' money be prodigally scattered in patchwork roads and maintenance." In the Winnipeg *Free Press* of Dec. 17, the above organization and the Manitoba Motor Club published elaborate suggestions along this line with the preliminary comment that: "Multiplicity of control is the principle objection to the present condition. To obtain the best possible results, both from the standpoint of economy in construction and of adequate maintenance, a central Control body must be established to undertake the construction and maintenance of the main truck highways so that a network of connected main roads, to provide convenient access to all parts of the Province, may be established. Under the Good Roads Act the initiation of road improvement is left in the hands of each individual municipality. As the result, there is no single highway in the Province which is of a continuous character in any direction, because certain of the municipalities refuse to bring themselves within the Act." The proposed connected system involved 1,600 miles of road at a cost of $8,000,000 and included the 500 miles under construction at a cost of $2,500,000. Meantime the Good Roads Board had, in 1921, again excelled any other year in construction figures, with much work done under the Dominion Highway Act and Provincial arrangements. To the close of the year 9 projects, totalling 764 miles, had been placed under agreement

with the Federal Department and Expenditures to the amount of $906,244 incurred by the municipalities and the Province from inception of the Act in July, 1919, to Sept. 30, 1921.

As elsewhere the Power issue was important. The 1st Annual Report of the Manitoba Power Commission—J. M. Leamy, Commissioner—covered the period between the 1919 Session of the Legislature and Nov. 30, 1920. In it Mr. Leamy stated that the reception of the Commission by the rural districts as well as by the towns and villages, had exceeded all expectations; that there was a constant, increasing, stream of applications for information and services; that the difficulty for the future would largely be, not to find ways and means of extending the services, but rather to curb and control the number of applications, within reasonable bounds, so as not to consume at the start too much capital."

He instanced elections under the Power Act at Portage, Virden, Minnedosa, Carman, Roland and Morden with hardly an average of 5 per cent. against the proposals and reported expenditures to date, in carrying power to different communities, of $886,463: "The principle upon which the Commission works is that all fixed sums charged against capital expenditure are to be distributed and returned to the Commission by the municipalities with whom contracts are made. In addition it is assumed that the municipalities are partners in all the work of the Commission, and responsible for the financial return which its work requires." The first part of the plan was with the City of Winnipeg with power obtained from plants on the Winnipeg River; the second was with Portage la Prairie, Virden and Minnedosa, under operation, and with other lines under construction.

Speaking at Brandon on June 23, Mr. Leamy stated that Hydro power delivered there would sell at about $20 per horse-power per annum; the line must be at least of 110,000 volts line pressure and have its own right-of-way; he estimated the total cost of construction per mile at $10,000, including labour at $2,400 a mile, or an expenditure of about $1,800,000 including distribution stations, etc.; it should produce 25,000 Killowat power and a steam plant to produce the same power would cost $3,600,000. In August, A. E. Davison, Engineer of the Ontario Hydro Commission, reported upon the line from Winnipeg to Portage at the request of Mr. McPherson, Minister of Public Works, and in view of the heavy storms met by this Line he advised a heavier load to act as ballast and approved the plan of an operating Superintendent; the general condition of construction was said to be good.

Meantime, the City of Winnipeg was operating its own Power-plant at Point du Bois and had completed a new second transmission line, which made 30,000 more horse-power available and 30,000 additional in the near future; in the 9 months ended Sept. 30, 1921, the figures of the Civic Hydro-Electric Depart-

ment showed a deficit of $65,356, with, however, a surplus of $203,828 in hand from the carried-over surplus of $269,184. The Manitoba Power Company, Ltd., was organized during the year with Sir Augustus Nanton, President, and A. W. McLimont, Vice-President, as the successor of the Winnipeg River Power Co., Ltd., and, virtually, as a subsidary to the Winnipeg Electric Railway. Great Falls, on the Winnipeg River, was the point at which the power was to be developed, about 60 miles north-east from Winnipeg; work was actually begun on construction of the plant which, when completed in 1924, would have a capacity of 168,000 h.-p.

The Company offered, a little later, an issue of $7,500,000 1st mortgage, 7 per cent. sinking fund, gold bonds and of this $3,000,000 was offered in New York and taken up in a single day; the balance was offered in Canada. Construction of the power development was under the supervision of Julian C. Smith, General Manager of the Shawinigan Water and Power Co., and the capitalization of the Company consisted of the bonds mentioned above and an authorized capital of $35,000,000. The Greater Winnipeg Water District, which was the source of Winnipeg's Water supply, was one of the great public works of the continent; the Aqueduct and conduit connected Shoal Lake (Lake of the Woods) 95 miles with Winnipeg; it involved a possible supply of 85,000,000 gallons of water every 24 hours to 250,000 people. In a Report of Dec. 31, 1920, the Assets of the Commission in charge totalled $17,491,781 and included $14,205,-811 as the cost of Aqueduct construction and $1,693,862 for Railway construction with a Bonded indebtedness of $16,197,012.

Aside from the Commissions definitely touching the Governments' financial policy, there were others of importance. The Provincial Drainage Commission, appointed in 1919, and composed of J. G. Sullivan (Chairman), H. S. Grills and J. A. Thompson, in its annual Report for 1920, dealt especially with the investigation of flood control and the drainage of the Seine River below Ste. Anne des Chénes. During its fiscal year the Commission held 14 public and 30 business meetings, and its work consisted, chiefly, in recommending and advising on legislation that would enable the Government to adjust drainage taxes and in securing topographical and other data concerning the Drainage Districts. In December, 1921, it reported to Mr. McPherson, Minister of Public Works, the result of a two-years' investigation of conditions.

The recommendations were as follows: (1) the appointment of a permanent Board to administer the Drainage Act; (2) that no new Districts be formed unless development and demand for land fully warrant the expenditure; (3) the extension of the boundaries of any District to include all land whose surplus waters drained into it and were carried through it to a natural outlet; (4) the equitable distribution of taxes on basis of benefits received and relief from liability for damages; (5) the

improvement of existing ditches and the channels—in special cases charging the cost or part of the cost to capital account; (6) the Government to assume responsibility for general maintenance of ditches—charging cost to the respective Districts; (7) the double dyking of main channels as a means of flood protection and the construction of new Districts where required.

The Public Utilities Commission of which P. A. Macdonald was the one member and Manager, had been formed under legislation passed in 1912 with very great powers which were criticized, at the time, by the Liberal Opposition and by the Winnipeg *Free Press*. Recently a Court of Appeal decision had indicated that the Commissioner possessed authority to vary, reject, over-ride and modify contracts; in this connection it had issued an order which was said to have destroyed a contract between the City and the Street Railway and to have practically deprived the City of control over its own streets; a vigorous agitation followed for its abolition or for a great restriction of its powers; the City Council declared by Resolution that the Act was originally passed to regulate the Public Utilities of the Province, in the interest of the public, but that the exercise of powers therein by the Commission had encroached upon the rights of the City Council, which, under the Winnipeg charter, gave it control of streets. On Apr. 28 the Legislature passed a Resolution by 24 to 21 in favour of its abolition and the transfer of its work to the Provincial Secretary with one year in which to effect the Statutory change.

The Manitoba Government Telephones were under a Commission of which John E. Lowry was the member and Manager —appointed in 1921 to succeed G. A. Watson; on July 21, it was authorized by the Public Utilities Commission to put increases into effect on Aug. 1, calculated to raise $575,000 additional revenue; under the terms of the Order, Winnipeg residents would pay about $245,000 more, annually, for telephone services and rural residents would pay $330,000 more; toll lines would make about $125,000 of this amount and the balance be derived from exchanges. These figures represented the net amount, with $110,000 allowed subscribers in discounts if their accounts were paid promptly. The new Order increased business phones from $60 to $83 a year and residence wall phones from $30 to $38; rural phones were increased in amounts varying from $5 to to $16 a year and the Province was divided into groups, with a prevailing rate in each group.

The Mothers' Allowance Commission—George Fisher, J. H. J. Murphy, Mrs. John Dick and Mrs. T. R. Deacon—reported in 1921 that since its inception, by an Act of 1916, there had been an increasingly large demand for funds to care for families bereft of their bread-winners; it was suggested that this expenditure by the Commission should be carefully scrutinized by citizens; reference was made to the family conditions and problems, the health and social service matters involved; some-

thing was said of the excellent work done by the Winnipeg Mothers' Allowance Auxiliary, a volunteer body alive to its opportunities and described as doing yeoman service; a Social Service department was urged and the special Course of Manitoba University in this respect mentioned. For the year of Nov. 30, 1920, there were 479 families under allowance as compared with 362 in 1919; 200 new applications for allowances were received during the year, of which 156 were granted, 35 refused, 8 deferred and 1 withdrawn, while, in 19 cases, previous applications were renewed and granted. The Commission asked the Government for a 1921 appropriation of $475,000 and added the remark that "Manitoba has led in this field of social welfare with, during the past year, British Columbia and Ontario following along similar lines."

The Provincial Board of Health, composed of Dr. Gordon Bell, Dr. F. T. Cadham, Dr. E. W. Montgomery, Dr. J. N. Little, Dr. M. S. Fraser, Dr. E. Bottomley, Dr. McInnis and S. E. Laing, reported in 1921 an increase in the work done by Public Health Nurses numbering 43 and in educational work by the Little Mothers' Leagues with 387 classes and 7,393 girls in attendance; the Nurses during 1920, in addition to their regular work in schools and the homes of pupils, did much valuable community work with 31 courses in home nursing and first aid under the auspices of the Women's Institutes, and 129 home nursing and first aid lectures with an attendance of 1,179. In connection with Child Welfare work, the Nursing department proved of great assistance to such bodies as the Mothers' Allowance Commission, the Provincial Police, the Soldiers' Settlement Board and many social agencies dealing with care and relief for mothers and children; 5 new Child Welfare stations were opened during the year with 125 children's clinics held throughout the Province and child health work, generally, aided with 35 Conferences; 10,000 copies of a *Baby Book* were distributed and the first inspection of children by Nurses totalled 13,241 with 14,692 subsequent inspections and 17,813 Home visits.

The Provincial Bureau of Labour, in its 5th annual Report, stated a large programme of work done which included the enforcement of 15 important laws and a development from 1,154 Industrial inspections in 1915, with 1,220 Orders issued, to 15,011 inspections in 1920 and 6,639 Orders for improvement issued; described much attention given to the Factories Act, in particular, and 2,507 industrial accidents during 1920; dealt with the preparation of new Passenger and Freight elevator regulations, adoption of rules regarding construction and operation of steam boilers, a special survey of the different Provinces as to compressed air tanks and safety appliances. The Minimum Wage Board, of which G. N. Jackson, Mrs. Nash, E. Parnell, Miss Flett and Joseph Winning were members, looked after the enforcement and administration of the Act in this connection; held 40 meetings during the year and carefully revised its regulations

with a total of 2,498 inspections and the issue of 1,183 Orders, covering 14,591 employees—with 214 over-time permits issued; reported that most of the employers of labour had co-operated with the Bureau and that numerous complaints were received from employees and were promptly investigated and adjusted in a manner "apparently satisfactory to all concerned." The Board appointed under the Welfare Supervision Act was as follows:

T. J. Murray, K.C. Winnipeg	Major D. M. Duncan Winnipeg
J. M. Thompson Winnipeg	G. F. Chipman Winnipeg
Mrs. Kenneth Campbell Brandon	Rev. D. B. Harkness Winnipeg
E. A. McPherson, K.C. Portage	Dr. J. Halpenny Winnipeg
Mrs. R. F. McWilliams Winnipeg	

Of the other Manitoba organizations of this nature, the Manitoba Tax Commission included L. W. Donley (Chairman), Prof. A. B. Clark and Robert Forke, with E. W. Watts as Secretary; the Fair Wage Board was composed of S. C. Oxton, W. J. Davidson and George Armstrong, and the Workmen's Compensation Board of H. Wilson, A. R. D. Patterson and C. W. N. Kennedy. Incidents of the year included the retirement of Prof. R. C. Wallace as Commissioner for Northern Manitoba, after issuing a Report dealing with a timber production in that new region (1920) of $1,034,000, Mineral products of $605,914, Fur of, approximately, $1,000,000, Fish worth $49,724 and Hay and Cattle $65,000; the Provincial expenditure during 1920 of $1,500,000 upon construction of the only Psychopathic Hospital in Canada with plans outlined by the Norris Government entailing the expenditure of $15,000,000 in future building construction for the housing and care of Mental Defectives and to be carried out within the next 10 or 15 years if conditions permitted—Insane persons to be treated as suffering from illness rather than as criminals.

Other incidents were the appointment of a Board of Supervisors of Boxing and Wrestling composed of E. G. Bricker, James I. Morkin and J. W. Anderson—all of Winnipeg; the election at Brandon on Mch. 31 of A. E. Hill of that town as President of the Liberal Executive Committee of Manitoba with F. C. Hamilton, Vice-President, N. T. MacMillan, Treasurer, C. S. Macdonald, Secretary, and Horace Chevrier, ex-M.L.A., and L. St. G. Stubbs, of Birtle, amongst the members; the winning by Manitoba of the Governor-General's Challenge Shield in competition for the largest number of Cadets between 12 and 18 years old enrolled on May 24, 1921, in proportion to school attendance during the previous year—with a total of 8,581 or 6·95 per cent. of school attendance and Quebec coming next at 6·53 per cent. with 32,184 Cadets. On Nov. 25, the commencement in London of Appeal proceedings before the Privy Counsel in the celebrated and long-standing case of Thomas Kelly & Sons, contractors, and the Parliament Buildings construction affair, was announced. Sir John Simon, K.C., Hon. T. H. Johnson, K.C., Attorney-General, and others represented Manitoba; A. J. An-

drews, K.C., Travers Sweatman, K.C., and others represented the Contractors. Judgment was reserved. The population of the Province was announced in November under Census returns as 613,008 or an increase of 32·92 per cent. since the 461,190 figures of 1911; Winnipeg grew in the decade from 136,035 to 178,364 or 31·12 per cent. and St. Boniface (really a part of Winnipeg) from 7,483 to 12,816 or 71·20 per cent.

MANITOBA GOVERNMENT APPOINTMENTS OF 1921

Comptroller-General of Finances	Robert Drummond	Winnipeg
Hon. A.D.C. to Lieut.-Governor	Lieut.-Col. Neil B. McLean, D.S.O.	Winnipeg
Hon. A.D.C. to Lieut.-Governor	Major Patrick Hennessy, D.S.O., M.C.	Winnipeg
Hon. A.D.C. to Lieut.-Governor	Capt. Francis G. Mathers	Winnipeg
Deputy-Provincial Secretary	Mrs. A. W. Larson	Winnipeg
Member, Board of Trustees Provincial Savings Department	Robert S. Ward	Winnipeg
Commissioner of Manitoba Telephones	J. E. Lowry	Regina
Comptroller of Town Planning	W. E. Hobbs	Winnipeg
Sheriff, Western Judicial District	Malcolm McGregor	Brandon
Inspector of Legal Offices	N. L. Davison	Winnipeg
Member Joint Council of Industry	George Wright	Winnipeg
Member Joint Council of Industry	William S. Cameron	Winnipeg
Registrar, Department of Education	Andrew Moore	Winnipeg
Member of the Fair Wage Board	William Allen	Winnipeg
Chairman, Board of Examiners, Stationary Engineers	W. H. Cooper	Winnipeg
Chairman, Board of Examiners, Stationary Engineers	Thomas M. Power	Winnipeg
Librarian, Department of Education	Myrtle T. Lewis	Winnipeg
Acting Commissioner for Northern Manitoba	J. A. Campbell, M.P.	The Pas

Financial Conditions in Manitoba; Mr. Brown's Budget; Legislation of the Year.

Manitoba, during 1921, was in an essentially depressed condition; business was dull, the crops were poor and prices were low; the enterprising spirit of the West was at a low ebb in Winnipeg; politics were bitter in spirit and confused in character; finances were complicated with large measures of public ownership in conditions of some uncertainty; taxation was high and threatened to go higher, while the City of Winnipeg continued its long and persistent effort to obtain authority for the levy of an Income tax —with, incidentally, a large Labour membership in its Council, almost even with the representation which would be affected by such a Tax.

Yet various public enterprises were under way in the Province, money was being loaned largely to the farmers and the Government was deluged with applications for more Loans. The Ministry was naturally a cautious one and the Hon. Edward Brown, Treasurer since 1915, was a man of wide financial experience and recognized capacity. His Budget Speech of Mch. 18, 1921, was a concise statistical presentation of the finances for the year ending Nov. 30, 1920, with very little reference to policy and none to politics; the particular period dealt with had been one of great progress for the Province and, therefore, onerous, though agreeable, to the Treasury Department. Capital expenditures had increased despite the stated determination of the Government to restrain them: "In addition to providing funds for all the various schemes which the Government is now carrying on, including Telephones, Housing, Good Roads, Public

Buildings, Hydro Power Commission, Soldiers' Taxation Relief, Farm Loans, and Rural Credits, we had bonds maturing on the New York market amounting in all to $7,498,000, which amount had to be paid and the refunding of same arranged for." The larger items were as follows, in a total of $10,776,500:

For extension of the Telephone System	$3,000,000
Loans to Municipalities for Housing Purposes	2,000,000
Farm Loans Association	1,250,000
New Parliament Buildings	1,226,000
Other Public Buildings	646,000
Good Roads	838,000
Hydro Power Commission	770,500
Soldiers' Taxation Relief	400,000
University of Manitoba	250,000
Drainage Districts	127,700

Of the Funded Debt of $51,000,000, Mr. Brown stated that $31,500,000 was self-sustaining and the balance of $19,600,000 represented, in round figures, the Public Buildings of the Province; the Treasury Bills outstanding on Nov. 30, 1920, were $1,479,000 and Cash balances on hand $3,140,298 with a Deferred revenue account of $798,832 and Current revenue unpaid of $402,634; the earned Revenue of 1920 was $10,482,471 and the current Expenditure $10.942,808 with a Deficit of $460,336; the estimated Revenue for 1921 was $9,770,172 and estimated Expenditure $9,740,078. The Treasurer described this fiscal year of 1920 as the most trying in Manitoba's history with the farmers vitally affected: "Seeding and harvesting operations were conducted at a period when the cost of every item was at the peak. The calculations of our farmers were completely upset by the sudden change. In addition to the rapid decline in the prices of all farm products, the price of all live-stock has, at the same time, literally gone to pieces. It is the duty of the Government to lend such assistance as is possible in these trying circumstances. Fortunately, we have at hand three great agencies by means of which we can help, namely the Provincial Savings, the Rural Credits, and the Farm Loans. The Government will steadfastly adhere to these great practical measures. There will be no turning back, but they must be soundly administered and, in turn, we expect the farmers to do their share by endeavouring to the utmost to live up to the obligations which they have assumed."

The returns for 1921, as afterwards shown, were even more marked than those of 1920; the Revenue was $9,800,860 and the Expenditures $10,401,895 or a Deficit of $601,035. Compared with 1915, when the Expenditures were $4,354,822, the increase was notable, with Education growing from $823,867 to $2,060,541 and Public Works from $818,448 to $2,211,925—exclusive of Telephones. The chief items of Revenue, as shown in the Public Accounts for Nov. 30, 1921, were as follows: Dominion Subsidy and School Lands $1,821,378; Fines, Fees, etc., $533,889; Agriculture, $250,413, and Education $178,146; Public Works $221,791 and Telephone Department $778,784; Interest $1,153,580, Succession Duties $457,562, Corporation Taxes, including Rail-

ways, $1,012,683; Public Amusement Act and Mothers' Allowance Act $448,926; Automobile licenses $524,233 and Municipal Tax $1,357,733. The chief items of Expenditure included Legislation $206,756; Mothers' Allowance Pensions $453,913 and Education $1,947,022; Agriculture $937,922 and Law Enforcement $198,644—including $29,180 for Temperance enforcement; Administration of Justice was $269,861 and Public Works $2,108,194.

The Liabilities of the Province (Nov. 30, 1921) totalled $68,186,128, including $61,929,870 of Stocks and Bonds of which $30,515,548 were described as Revenue-bearing; Provincial Savings Office Deposits of $1,600,000 with Sinking and Replacement Funds of $4,656,258. Indirect Liabilities included $25,663,553 of endorsed Canadian Northern Securities and $4,628,876 of Municipal Debentures and $5,414,658 of Manitoba Farm Loans. The Assets against the total of $68,186,128 were given as $84,252,478, of which the Dominion was rated at $13,228,371; Public Works and undertakings (Book values) $44,009,262; Investments and Secured accounts of $14,262,863; Capital expenditures by Drainage and Judicial Districts $6,178,347; amounts available for specific capital outlay and for Sinking and Replacement Funds $6,075,118.

Following the Budget, Mr. Brown, on Apr. 7, took part in a Conference with representatives of the City of Winnipeg, 70 rural and urban municipalities, Members of the Government and of the Legislature, to discuss questions of Taxation. A Resolution was unanimously approved declaring in favour of a Provincial Income tax. J. H. Ashdown urged careful consideration, stated that he had paid $73,000 to the Dominion Government for taxes in 1920, or 56 per cent. of his income, and said 5 per cent. should be the limit for the new tax; F. J. Dixon supported a tax on Land values first and an Income tax second. Mr. Brown stated that no default had yet been made by any Manitoba municipality and he wanted to preserve this standard; he would not promise that the Government would collect an Income tax entirely for the benefit of the towns and villages of the Province; his original intention for taxation had been one per cent. on gross Profits, but this he had changed to a net Profit tax. The Income tax might go to the municipalities and the net Profits tax to the Government.

There was severe criticism of the Government policy on financial lines and it was claimed that the real Deficit for 1921 was $2,000,000 rather than $600,000; that, in addition to this latter sum, there was a Telephone deficit of $538,438, a Premium on Bonds "wrongly taken into Revenue" of $377,474, and an admitted deficit in Manitoba Hydro Power account of $150,000 with a number of items charged to Capital account which, it was claimed, should have gone into ordinary Expenditures. Short term borrowing was especially denounced as financially dangerous; the ever-present question of Taxation evoked much discussion. Prof. A. B. Clark of the University stated, on Apr. 7, that:

The difficulties of the present situation have had their origin in the steady and, to a considerable extent, inevitable, growth of public expenditure and, in the fact that in urban municipalities, the necessary taxation is concentrated to an excessive extent on the owners of real property. x x x This rapid rise in the Tax rate cannot, for the most part, be ascribed to expenditure on those specific services which tend to enhance the value of real property. Rather, it must be attributed to the steady rise in the number and expensiveness of the more general Provincial or even National services at present performed by our municipal governments, such as Education, Poor Relief, Police Protection, care of Public Health, and Administration of Justice.

During the Legislative Session the Corporations Tax Act was amended so as to include a tax of 2 per cent. on Net Business Profits, as Mr. Brown had foreshadowed. In a speech dealing with this subject (*Canadian Finance* report, Nov. 2) the Provincial Treasurer went into the differences in taxing gross and net profits, the desirability of doing the latter but the difficulties which prevailed, the soundness of the policy from a financial point of view. What he preferred, however, for future action, was a Business Income tax—including the Professional classes. Eventually the Tax on net Incomes was a disappointment with a few hundred thousand raised as against the $1,250,000 of Mr. Brown's estimate. Meanwhile, the borrowings of the year included an issue in March of $500,000 5-year, 5 per cent. Bonds; the issue in May of $4,580,000 of 20-year, 6 per cent. Bonds—interest payable in Winnipeg, Toronto and Montreal; an issue in May of $2,725,000 25-year (non-callable) 6 per cent. Bonds—principal and interest payable in New York. An incident of the year was the 1921 Report of the Sinking Fund Trustees of Winnipeg—E. F. Hutchings (Chairman), W. H. Cross, F. O. Fowler and H. C. Thompson, Secretary—showing the total Assets of that City as $13,160,446, the gross Debt as $47,189,696, liquid securities of $278.88 held by the Trustees for every $1,000 of Bonded indebtedness and $79,287 held to the credit of Surplus income.

Manitoba Rural Credits Development. This much-discussed policy had a further and fuller evolution during 1920 and 1921. The legislation of 1917 had provided for the organization by Manitoba farmers of Rural Credit Societies, through which shareholders were enabled to secure short-term or seasonal loans for carrying on or extending their farming operations—the borrowing member paying 7 per cent., with a rebate of 1 per cent. to the Society for its own expenses. The basis of organization was 35 farmers as members and each member purchasing a $100 share of stock in the Society, while the municipality and Provincial Government each subscribed for half as much as the individual farmer; all paid 10 per cent. in cash with the balance subject to call and the cash held as a guarantee fund and a basis of credit. Loans or credits were passed by the Board of Directors of each Society; the Directors to be resident in the district with three representing individual farmers' stock, three Municipal stock,

three Government stock; the security for a loan was to rest largely in the form of a lien or charge on all personal property of the borrower and to take precedence over all other creditors with the exception of a mortgage on the land.

From the start, in 1917, the Rural Credit Societies of the Province up to March, 1920, were able to borrow through the Chartered Banks; trouble then developed as to rates of interest and further Credits were refused. When this decision became effective the Provincial Government decided to provide the necessary funds, or otherwise Rural Credit Societies would have ceased to exist; on Apr. 2nd, 1920, the first cheques went forward to individuals. On Nov. 30, 1920, the total advances made by the Provincial Government to Rural Credit Societies amounted to $1,460,227; the total loans granted in 1920 were $2,066,000 and of this amount $665,000 was renewable to December, 1921. By Nov. 30th the Societies had collected the sum of $202,627, although only $145,000 was due and payable up to that date. The record of business in these organizations was as follows: The number of Societies in 1917, one; 1918, 10; 1919, 38; 1920, 58. The amount of Loans in 1917, $16,600; 1918, $215,581; 1919, $1,-051,876; and in 1920, $2,066,000. The total loaned at the beginning of 1921 was $2,468,000 with $402,000 of this renewed from 1919.

The original idea in this policy was the useful and proper one of helping settlers in isolated sections of the Province where Banking and other facilities were restricted or absent. The Banks made no objection and, indeed, helped operations so long as the interest rate was considered by them to be reasonable and the element of competition did not enter or the extension to long-term loans come in. Opponents of the policy, also, claimed that the Banks had always been considerate of the West, that they had shown substantial interest in its agricultural development and that there was, at this time, an actual total of $150,-000,000 invested by them in Prairie Province loans, that this new scheme, as finally evolved, was dangerous politically and financially. An interesting phase of the discussion was presented by the Provincial Treasurer's announcement, on Apr. 2nd, 1921, that, unless the Province paid the costs of administration for these Societies—originally included in the one per cent. allotment from Interest—the rate of loans would have to be raised to 8 per cent.; $25,346 was accordingly put in the Estimates, and approved, after objection expressed by J. T. Haig for the Opposition.

At the close of the year the annual Report of the Rural Credit Societies (Charles Gifford, Superintendent) showed, to date, a total of $2,556,975 advanced: "From Nov. 30, 1920, to Nov. 30, 1921, our collections amounted to $978,246. During this period we took over from the Banks all the advances they had made to the various Societies. During October and November we discounted for Societies notes amounting to $390,000 re-

payable in 1922. Credits for stock loans amounting to $314,000 were extended to 1922, and other loans amounting to $235,000 were carried over as well, making a total of $939,000 with $1,-617,000 repayable in 1921." Mr. Gifford stated that the crop of 1921 was the worst in the history of Manitoba despite the volume of grain marketted: "Rural Credits, duly combined with safety, serve to keep the farmer on his land; if we had disregarded this fact we could undoubtedly have increased our collections but, even at this, our collections will compare favourably with other organizations." He estimated that the Societies would need $5,000,000 to finance the 1922 crop; by the close of 1921 the Rural Credits Department of the Government had loaned up to its limit of $3,000,000 and applications for loans were still pouring in.

The Manitoba Farm Loans Association. This was another organization to help farmers. Composed of Lachlan McNeill (Chairman), George Anderson, F. C. Hamilton, D. D. McDonald and J. S. Wood (C. P. L. Fowler, Secretary), the Board, in its 4th annual Report to Nov. 30, 1921, made this preliminary statement: "Our organization has been taxed to the utmost during the past year, and especially after it became plain that, owing to crop failures and falling prices for all that he produced, on top of the increased cost of production, the farmer of Manitoba would find it very hard to carry on without assistance. The Association has been able to handle the situation to good advantage, and is now paying out very large sums of money in long-term loans."

During the year there were 1,891 applications, to a total of $5,096,000, received, and 1,333 were accepted at 32 meetings of the Board; during this period the sum of $1,626,000 was paid out in 722 loans, or an average of $2,250 per loan, making 2,348 loans advanced to Nov. 30, 1921, or a total of $6,147,650, of which amount the balance of principal outstanding was $5,633,328. Very few loans had been paid off in full but, under the 5-year statutory conditions, from this time on a good many would mature yearly: "During the past few months a very strong demand has arisen among investors for the Association's Bonds at 6 per cent., and it is now assured that plenty of money can be secured to satisfy the requirements of the farming population and thus benefit the Province as a whole; while, eventually, the Association may be enabled to make some reduction in its rate of interest to borrowers, which was increased from 6 per cent. to 7 per cent. at the last Session of the Legislature."

The Balance sheet showed (Nov. 30, 1921) Mortgage Loans, with accrued interest, as $5,858,958 and Debentures issued, with interest accrued, $5,378,533; these Debentures were guaranteed by the Province; in November the total applications during the 4-years existence of the Association came to $15,800,000. During the Legislative discussion of the Bill for advancing interest from 6 to 7 per cent. on these Loans (Apr. 12-13), J. H. Mc-

Connell declared that this policy had not only benefitted the farmers directly, but had forced the Loan Companies to lower their rate of interest; other members criticized the new rate as too high for the farmer to pay, though William Robson (the Farmer leader) was content to let the matter rest on the necessities of the case; Hon. Dr. Thornton for the Government stated that since January the Board had been unable to get any money at 6 per cent. and, therefore, could not lend any at that rate—the Mortgage Companies running from 7 to 8 and 9 per cent. in their loans. Hon. Mr. Brown explained the original reason for an arbitrary 6 per cent. rate as a matter of uniformity; the 2nd reading was approved by 31 to 19 votes, and the 3rd reading, after a motion by F. J. Dixon (Lab.), supported by J. T. Haig (Cons.) fixing the rate again at 6 per cent. had been defeated, was passed by 23 to 15.

The Provincial Savings Institution. Another phase of this financial and agricultural policy was the passage in 1920 of the Provincial Savings Act and the establishment of what was—without the name—a Provincial Government Bank for the financing of the Rural Credit Societies. The Act provided for the opening of Government Offices to take Savings Deposits with checking privileges and interest at 4 per cent. per annum on the minimum monthly balance compounded semi-annually. Two offices were operating at Winnipeg in 1921 with 10 agencies or Branches at outside Manitoba points. The Board of Trustees appointed by the Government was made up of E. A. Weir, Chairman; George Fisher, Manager in Canada of the Scottish Co-operative Wholesale Society, as Vice-Chairman; J. R. Murray of the United Grain Growers, Ltd.; F. J. Collyer, McAuley, President Manitoba Cattle Breeders' Association; J. W. McQuay, District Director of the United Farmers of Manitoba. In January, 1921, Mr. McQuay resigned and, on Feb. 16, R. S. Ward, Manager Co-operative Stores, Ltd., Winnipeg, was appointed to take his place.

The first annual Report of the Board covered the period of operation from Aug. 31 to Nov. 30, 1920, and showed, at the later date, 2,241 accounts with deposits of $634,220; on Jan. 31, 1921, later statements gave 3,706 accounts with a total balance of $1,642,226. By the close of 1921, the first full year of operation showed results to Nov. 30th of $3,113,226 received from depositors with $93,836 interest credited their accounts and Loans or investments totalling $3,220,939; the net result of the year's operation was a profit of $8,937 and the number of active accounts on Nov. 30, 1921, was 8,052. According to the Report many of these were opened by people who wanted to help the Government and the farmers and many very satisfactory ones were started by non-English-speaking settlers. The criticisms offered by Bankers on the last official statement was that nothing had been written off for bad debts or for inevitable losses; reference was made to the investment of $250,000 in Victory

bonds by an institution whose original objective was the lending of money to the farmers. By the close of 1921, through these various Agencies the Government had lent to farmers or was responsible for, in this connection, over $8,000,000.

Manitoba Legislation and Politics in 1921. The 1st Session of the 16th Legislature was opened on Feb. 10, 1921, by Sir J. A. M. Aikins, Lieut.-Governor, with a Speech from the Throne which referred to the bountiful harvest, production and conditions of 1920 and an invasion of grasshoppers which had to be fought; mentioned, as under way and directed by the Minister of Agriculture, "a survey of representative areas of the Province in regard to climatic conditions, soil analysis and water supply, with a view to ascertaining the character of farming best suited to each of the several districts and the methods that will give the best results;" spoke of the Government's efforts to obtain control of the public lands, Timber, Minerals and other natural resources from the Dominion; stated that legislation based upon the Welfare Commission of 1920 had been prepared and would "consolidate the general laws of the Province respecting children, authorize the establishment of a Department of Child Welfare, presided over by a Director, under a Minister of the Crown, and provide for the classification of indigent and defective children and for their proper care and training."

His Honour also referred to the continued shortage in dwelling-houses, and suggested further loans for construction; described the establishment in 1920 of the Manitoba Joint Council of Industry as "a new progressive principle set in motion" and declared its creation amply justified by results; stated that "in co-operation with the Municipalities which have thus far become parties to the plan of Hydro-Electric development, an excellent beginning has been made in the construction of the transmission line to Portage la Prairie, and its extension line to Morden"; spoke of the Manitoba Farm Loans Association and the Rural Credits system as rendering valuable service to the farmers of the Province and declared that "the system of Provincial Savings Offices, authorized for the purpose of financing the Rural Credits Societies and other purposes," had met with satisfactory success; expressed confidence in Mining as one of the large future industries of Manitoba and spoke of the initiation of the first open hearth steel furnace in the Province.

The Hon. James B. Baird had been Speaker of the late House and he was re-elected; the Address was moved by E. A. August of Dufferin and Mrs. R. A. Rogers of Winnipeg; the first ensuing action of the House was to put through a Bill protecting W. J. Tupper and John Stovel, Conservative and Liberal members, respectively, from action in the Law Courts because of innocently holding positions, when elected, in respect of which emolument was payable by the Crown. Mrs. Rogers' speech on Feb. 14 was received with much interest, as from the first woman member of the House; she pointed out the development of

woman from a share in domestic control, to one in Business, and now in politics and government. F. J. Dixon, Labour leader, in speaking to the Address (Feb. 21) suggested the establishment of what might be called a business Government with a proper proportion of each Group in the Cabinet as they now were represented on the Committees of the House. He was ready to go even further, and say that members of the Legislature should elect the Cabinet themselves.

Amongst other speakers on the Address was William Ivens, Socialist, (Mch. 1), who declared that: "If things go on as at present, there must be death in the social system; neglect will spell disaster like that which occurred in 1914. The War did not come as an accident, but was the direct result of the social system; the Legislature must attempt a scientific advance out of the chaos of the capitalistic or competitive system; there should be a system of industry carried on for the people by the people. Unless that change is made in industry, we have not seen the last of the War." Nationalization of industry, controlled by the people, was his demand. After a prolonged debate on the Address, Hon. Joseph Bernier (Cons.) and Maurice Duprey (Farmer) moved an Amendment to Mr. Haig's amendment that no action be taken till after the Supply Bill had been presented; this was voted down by 32 to 4 and Mr. Haig's Resolution by 25 to 10, with the Address passed by the latter vote.

A number of Resolutions were discussed by the House. The first had been moved by F. J. Dixon (Feb. 16) asking the Dominion Government to release George Armstrong, William Ivens, R. Johns, William Pritchard and John Queen from gaol where they had been held since Mch. 27, 1920; declaring that Sedition was "a vague term with no clear definition in law nor in the public mind"; stating that Armstrong, Ivens, and Queen, had been elected to the Legislature on June 29, 1920, and claiming that all should be released and, especially, the three members called by their Legislative functions. On Feb. 18 an Amendment suggested that, if the three members of the Legislature should ask for parole it be granted under the Dominion system, and this was carried by 26 to 22 and acted upon by the Ottawa authorities. In connection with the Assiniboia Housing scheme, its alleged mis-management and mis-use of funds and the fact of $600,000 being involved, W. D. Bayley (Lab.) moved (Mch. 1st) for appointment of a Select Committee of Enquiry and this, after some debate, was approved. On May 5th the Committee reported at length as to the general Housing situation and, in detail, as to Assiniboia conditions—which latter involved poorly-constructed houses, disregard by the Municipality of Rules and Regulations, improper combination of Offices in the hands of C. L. Richardson. C. A. Tanner was Chairman and a still more complete enquiry was advised.

Mr. Dixon moved on Mch. 8 that, in view of the large areas of land held in the Province by speculators "this House favours

an increased application of the principle of the progressive taxation of land values to facilitate the breaking up of land monopoly"; an amendment moved by two Farmer members—W. C. McKinnell and W. R. Clubb—declared in favour of an increased Wild Land Tax and this was carried by 38 to 9. On Mch. 16 an elaborate Resolution was moved by J. T. Haig, K.C. and W. J. Tupper, K.C., (Conservatives) outlining the history and past relations of Manitoba Governments with the Railways; declaring the freight rates of 1903-18 to be fair and reasonable and denouncing the increased rates of 1920 as "excessive and burdensome" and a direct, unjust tax of $12,000,000 annually upon the people of Manitoba; claiming that under still existing agreements between the Government of Manitoba and the C.N.R. and Northern Pacific, the former had power of control over the rates within the Province; directing that these terms be enforced and rates restored to the figures of 1903.

After an extended debate an Amendment was moved by Rev. A. E. Smith (Socialist) declaring that "the time has arrived when the railroad systems of the Dominion of Canada should be nationalized"; this was defeated by 33 to 8 of whom 6 were Labour and 2 Farmers and the Resolution was then voted down by 22 to 12. Mr. Dixon, and Mr. Smith, on Mch. 15, introduced another Resolution urging that, in view of the Direct Legislation Act of 1916 being declared invalid and unconstitutional by the Courts, the Government should consult with other Provincial Governments with a view to "having the basis established constitutionally for the enactment of Direct Legislation by such of the Provinces of Canada as may desire so to do." After debate, it carried without a division. Another Labour resolution (Mch. 15) prepared by W. D. Bayley referred, in general terms, to the need of "a more progressive spirit" in Educational administration and in text books, etc., so as to better equip children for "facing the problems of citizenship"—with speeches which raised issues of Labour and Socialism.

Duncan Cameron (Lib.) moved an amendment (Mch. 29) expressing appreciation as to policy of the Advisory Board and the University, which was carried; Joseph Bernier then moved another amendment declaring that "the surest method to attain the progressive spirit and to secure individual development, efficient and intelligent participation in society, is to base the whole system of Education on the teaching of the fundamental social principles of respect for legally constituted civil authority, and on the teaching of religion as given to mankind by Jesus Christ," and this was defeated by 34 to 4. On motion of Messrs. Queen and Ivens (Socialists), it was resolved on Mch. 29, that "a Fund should be provided by the Province to give to each person, upon his discharge from the Provincial Goal, a sum of $10 in cash, and such clothing as is necessary for warmth and decency"; another motion by Mr. Queen declaring that no public moneys should be spent on the Reception to H. E. the Governor-

General during his coming visit, was voted down after debate. Two days later H. E. the Duke of Devonshire was cordially welcomed by the House and gave a brief farewell speech.

Mr. Ivens and Mr. Queen, on Apr. 5th, moved a Resolution declaring that "the capitalistic system is the prime cause of international friction and war" and urging a policy of disarmament upon the Federal and Imperial Governments, which was voted down; another Resolution reviewing the past and present importance of Immigration and urging the Legislature to declare itself "as being most heartily in favour of a very active Immigration policy, and that a substantial sum of money be set aside for the promotion of such policy"—with immediate Government action, was carried by 25 to 18; Mr. Ivens (Socialist) and M. J. Stanbridge (Lab.), proposed a motion approving the Rural Credits and Farm Loans policy and declaring that "the present Savings Offices should be developed into a complete Provincial Banking system," which was rejected by 28 to 17. A Socialistic trading Resolution was moved by Messrs. Queen and Ivens on Apr. 7th, which declared (1) that the major portion of the Provincial population was of the working class and were suffering severely from the depression and (2) that the Dominion Government should at once seek to establish trade relations with the Federated Soviet Republic of Russia. After debate, this was rejected by 36 to 12. A motion of Mch. 31, which was discussed at length and finally carried by 27 to 21, specified a recent Dominion Government advertisement of Pulpwood limits for sale east of Lake Winnipeg, and protested against such sales until the question of control over Natural Resources was finally disposed of.

The most difficult matter of the Session for the Government to deal with was a Resolution moved on Apr. 12 by A. E. Smith and W. D. Bayley declaring that "the time has arrived when the Executive Council for the administration of the affairs of this Province should be selected from and by the present representation in this Legislature"; two Farmer members (W. R. Clubb and W. C. McKinnell) moved an amendment that such action should be taken after the next Provincial Election and this was rejected by 44 to 6; the House then divided upon the main motion and gave an equal vote of 25 for and 25 against, with the Speaker's casting vote in the negative. This saved the Government for the time being. A Resolution on Apr. 20, reviewed the taxation difficulties in respect to non-payment of obligations and taxes by Soldier settlers and urged that the Soldier Settlement Board Act be amended to provide that, while the lands of settlers, whose contracts were cancelled by the Board, were held by the Board, the lands should be assessable under the Municipal Assessment Act, and the Government of Canada should pay the taxes levied annually upon the lands until the said taxes were assumed and paid by another settler or purchaser from the Board.

Another motion (Apr. 21) proposing that the appointments of existing officials under the Manitoba Temperance Act should be cancelled and their duties transferred to the Police or Comptroller-General's Department, was rejected by 24 to 16; still another was approved and it urged upon the Dominion Government and the National Railways the completioin of an extension running north from Ste. Rose. On Apr. 27, out of a number of minor Motions moved by J. T. Haig as Conservative leader—upon various Estimates—some were defeated and others approved; a division took place upon a Motion by the two Ruthenian members denouncing District administration of Educational matters by Official Trustes with 26 negative votes to 11 in support; Mr. Haig and Mr. Tupper urged, by Resolution, an adequate system of Pensions for Teachers, but were voted down as, also, upon a motion declaring the current Educational grants wholly inadequate—23 to 18; a motion to abolish the Public Utilities Commission was carried by 24 to 21; a unanimous Resolution granted authority to the Minister of Agriculture to appoint a Special Committee of members to enquire into the matter of Fuel and Illuminating Oils.

A Motion, on Apr. 29, by Mr. Haig declared that administration of the Temperance Act should be placed in the hands of the Provincial Police Commissioner, but it was voted down by 25 to 12; another one declaring the Civil Service Commission of the Province to be "inefficient, unnecessary and a public burden" was, also, rejected, as were a number of other amendments to Supply moved by Mr. Haig, Mr. Dixon and others. A Report from the Railways Committee declaring that the Provincial Telephone Utility should be operated at cost and expressing confidence in the new Commissioner (J. E. Lowry) to deal with the proposed increase of rates, was discussed at length on May 3rd. Messrs. Haig and Tupper, by Resolution, deprecated the current Telephone deficit of $392,688; claimed that the figures showed a profit in the City of Winnipeg met by a rural deficit of $409,000 and urged a careful Enquiry into the whole subject; declared that "the supervision of this Department has been very bad and the Government responsible for the inefficient management of the Telephone System."

The vote was 30 to 13 against this censure of the Government. Upon the Report of the Public Accounts Committee, the Conservative leaders moved an amendment declaring that "instead of there being a surplus of $35,566, there is a deficit on Consolidated Revenue Account of $691,930," and claiming that the Comptroller-General's authority was being weakened and restricted. The vote was 24 to 10 against the motion. A Resolution urging the Government to take action to impress upon the Dominion authorities the sufferings which prevailed amongst returned soldiers and their families was passed unanimously. Mr. Queen moved on May 5th that the Dominion Government be asked to authorize Sunday trains to the Beaches of Lake

Winnipeg during the Summer months, but it was rejected by 20 to 16. There was a quite unusual number of divisions in the House during this Session with a total of 71; Resolutions, motions and amendments to Acts were all discussed and voted upon with exceptional interest and varied tests of voting strength.

Legislation of the Session included an amendment extending the War Relief Act for a year in order to help returned soldiers and to enable veterans to redeem property lost through non-payment of taxes; established a Board to regulate boxing and wrestling exhibitions and another giving the Board of Censors drastic powers in respect to motion picture films and their rejection; enacted a Net Profits Tax which provided for a 2 per cent. tax on net profits of all business institutions—professional business excepted; incorporated the Winnipeg Driving Club but without any provisions for conducting or not conducting betting at the Races; increased automobile license fees from the flat $10 rate to $12 for cars of 20 horsepower and 50 cents for each additional horsepower over that amount; amended the Housing Act so as to give Veterans power to borrow under the Act to relieve themselves of mortgages held by private corporations on their property; amended the Shops Regulation Act to permit book stores and firms selling stationery to remain open at nights and taxing Pool-rooms and bowling alleys under the Amusements Taxation Act.

Other measures provided for the loaning of $200,000 to the Brandon Winter Fair Board for the construction of buildings; revised and consolidated the St. Boniface Charter in a Bill of 1,000 sections; provided for the sale of goods in bulk and for any person selling stock to furnish an affidavit showing names and addresses of all creditors before obtaining goods from a wholesaler; amended the Workmen's Compensation Act to provide for increase in funeral expenses from $100 to $150, to pay members of the Board at the rate of $15 for each meeting, to afford protection for the employer as well as his employee and to increase the maximum amount payable widows and workmen to $60 per month; altered the Housing Act so as to authorize municipalities to advance money to Veterans or widows of Veterans; authorized the Provincial Treasurer to make temporary advances, through Treasury Bills, in respect to the Mothers' Pensions Act; revised various definitions and regulations under the Inspection and Regulation of Shops Act; provided for the erection of Agricultural and Community Districts with full power to acquire and provide a community building with club rooms or recreation rooms, or any other building authorized under the Municipal Act, up to a total of $15,000 borrowed capital; repealed all existing Noxious Weeds legislation and passed a new Act dealing with this agricultural difficulty and regulating destruction by Owners, by Railway companies, by Threshers, by Municipal Councils, etc., with, also, the appointment and duties of Inspectors and a Weed Administrator.

The Provincial Lands Act was amended so that a municipality could purchase at its own tax sale any right, interest, or estate, in any Provincial lands, within the municipality, of any occupant, purchaser or claimant thereof; in such cases the Land Commissioner could recognize the claim of the municipality as a lien upon the lands for charges and costs; when such right was cancelled by the Commissioner, the Government could sell the lands to the municipality upon terms satisfactory to the Land Commissioner, making deduction to the municipality. The Assessment Act, which had been the subject of far-reaching amendments in 1920, was further amended in 1921 to embody a number of changes found advisable by the Tax Commission in its operations during the year; a new provision made leaseholds taxable in every case where, by reason of any claim for exemption, the estate in fee simple was not taxable; it was provided as to islands in or near any city, town or village, chiefly appropriate or adaptable for farming, stock-raising or market gardening purposes that they be assessed at full value and so with lands in rural municipalities improved for other purposes; buildings were to be assessed at two-thirds of their value and the time for redeeming lands sold at tax sale was reduced from two years to one.

The Public Schools Act was variously amended—especially as to altering the boundaries of school districts and uniting existing districts; changing the compensation for conveying children to Union Schools up to 50 cents per day; limiting the amount to be levied by rural municipalities for supplementing the Legislative grants to $60 per teacher per month and increasing the levy of $1.20 per day for fractional periods to $3.60 per day. Another Act provided for the licensing and bonding of all persons carrying on, in Manitoba, the business of a dealer in foreign exchange or an agent for the selling of tickets for transportation across, or over, any ocean, where such tickets were sent by the dealer at the request of the purchaser to some person in another country; where the application was approved the applicant was required to enter into a bond for $3,000 and to pay an annual license fee of $10. The Municipal Act was amended in various details as was the Fires' Prevention and the Game Protection Acts—with a close season for Beaver from May 1st, 1922, to Sept. 1st, 1925, and a declaration that "fur-bearing animals bred and reared on licensed game or fur farms shall be regarded as domestic animals."

Amendments to the Public Libraries Act provided that the Council of any town, village, etc., could establish a free library upon receipt of a petition duly signed by 25 per cent. of the names on the revised voters' list and authorizing the Government to constitute the Extension Service Advisory Council a Public Library Board to assist in establishing Free Public Libraries. The Electrical Power Transmission Act was amended so as to make it possible for any incorporated village to secure

electrical power for lighting, heating or power purposes without submitting the matter to a vote of all the ratepayers. A Horticultural Societies Act was passed to assist Manitoba Horticultural Societies and to incorporate the Manitoba Horticultural and Forestry Association. The Unoccupied Land Tax of 1918 was amended by increasing the special tax on unoccupied lands from one-half of one per cent. to two per cent. and the maximum tax from 20 cents to 80 cents per acre while the Dairy Act of 1915 was amended to provide that all milk and cream testers, operating a milk or cream testing apparatus, must be licensed. The Act as to Home Economic Societies was amended to change the name to Women's Institutes and giving power to hold property, etc.

The Public Amusements Act of 1916 was amended to apply to all circuses, menageries or carnival shows, billiard halls or pool rooms, and all were required to take out licenses and to collect the Amusement Tax. Motor Vehicles were charged a new scale of license fees including $12 for registration and 50 cents per horse-power for every horse-power over 20 h.-p. The Rural Credit Act was amended making specific provision for loans as payment of not more than half of the cost of erecting silos and repealing the provision which limited the total amount any one Society could lend in one year to $40,000 and special provision was made whereby, in case lands were sold or leased on crop payment, the lien of the Rural Credit Society should have priority over all crop deliveries or payments. The provisions of the Co-operative Associations Act were made applicable to all co-operative associations carrying on business in the Province whether incorporated under the Act or not. An amendment to the Manitoba Farm Loans Act raised the rate of interest which could be charged by the Association on loans from 6 per cent. to 7 per cent., while the rate which the Association could pay on its bonds, stock or other securities was raised from 5 per cent. to 6 per cent.; the share capital of the Farm Loans Association was reduced from $1,000,000 to $500,000 divided into 110,000 shares of $5.00 each. The Provincial Aid allowed to incorporated Public Hospitals was raised from 25 to 50 cents per day.

Incidents of the Session included the refusal of the House to restore the contract arrangement which the City of Winnipeg had with the Winnipeg Electric Railway respecting fares and which the Public Utilities Commission had abolished; the rejection of a Brandon Bill which asked for power to operate its own Electric light plant after having given this right, as an exclusive one, to a private corporation; the unsuccessful fight of Piano tuners and Osteopaths—backed by the Labour members—to secure incorporation as professions; the holding over to the next Session of a Bill listing vacant lands and another placing control of all Child Welfare organizations under the Government with appointment of a Director of Child Welfare; the de-

feat on 2nd reading (29 to 12) of the Labour Bill for an 8-hour day (Apr. 26) and the combination of the Conservative, Labour and Farmer leaders in support (Apr. 4) of the Government upon the Official Trustee system; the appropriation of $1,000,000 for expenditure upon Insane Asylums and Mr. Ivens' allegation that war and economic conditions were the cause of the trouble; the outspoken attack by Hon. T. H. Johnson, Attorney-General, on Apr. 5th, upon William Ivens (Soc.) as to his Disarmament Resolution and his speech declaring that "capitalism must be destroyed."

Mr. Brown, Provincial Treasurer, told the House on Apr. 7 that the Government was no longer making advances to Rural Credit Societies out of the Consolidated Fund, but was issuing cheques against Capital account. Other incidents included the approval of an increase in Ministerial salaries from $5,000 to $6,000 and in Sessional indemnities from $1,500 to $1,800; the failure of the Attorney-General to carry a measure providing for Preferential voting in single-member constitutencies where more than two Candidates were in the field; the defeat of John Queen's measure permitting "peaceful picketting" and the declaration by Mr. Premier Norris that no such thing as peaceful picketting could exist; the fact that A. E. Smith and William Ivens (Socialists) made three-day speeches during the Session. The House was prorogued by the Lieut.-Governor, on May 7, after considering 222 Bills and passing 55.

Agriculture and Mining in Manitoba; The United Farmers in 1921; Educational Conditions of the Year.

The field crops of Manitoba in 1921 were the largest since 1915, despite two weeks of excessive heat and drouth in July and a share in the Hailstorms, black and red rust, grasshoppers and budworms—with the Weed pest ever present. The decline in prices continued steadily and general conditions put a premium on the personal qualities of frugality and thrift; changes in every phase of industry were present and, as Mr. Malcolm, Minister of Agriculture, put it at Christmas time of this year, "the demand in 1917 and 1918 was to furnish quantity without regard to quality, but to-day, all producing countries are vieing with one another for the best markets of the world, and it is quality rather than quantity which counts."

The yield of field crops in 1921, according to Federal statistics, was $72,129,500 in value compared with $133,989,900 in 1920. The chief items were Spring wheat 39,054,000 bushels at $35,533,000; 49,442,500 bushels of Oats at $14,833,000; 19,681,600 bushels of Barley at $8,463,000; 3,564,700 bushels of Rye at $2,816,000; 5,858,200 bushels of Potatoes at $2,636,000; 378,500 tons of Hay at $4,921,000; 124,900 tons of Fodder corn valued at $1,124,000. The main reduction from 1920 was in Spring Wheat with a crop of 37,000,000 bushels valued at $68,000,000 compared with the 1921 product of 39,000,000 bushels worth $35,000,000.

Oats also fell $17,000,000 in value and Barley 5½ millions. There was the same remarkable decrease in Farm live-stock values, as other Provinces experienced, with a rather exceptional increase in numbers. Horses numbered 419,789 in 1921 or an increase of 63,000; Cattle were 817,759 or an increase of 60,000; Swine were 224,704 with a small increase and Sheep 131,361 with a small decrease. In values Horses stood out at $37,305,000 or a loss of $3,000,000; Cattle at $24,508,000 or a loss of $14,000,000; Sheep at $783,000 and Swine at $3,039,000 or a combined decrease of $2,200,000 in value. The following table (Dominion figures) illustrates the agricultural condition over a 4-year period. and the influence of deflation in prices:

Product	1918	1919	1920	1921
Field Crops	$180,508,000	$182,097,000	$133,990,000	$72,136,000
Farm Animals	13,781,000	12,990,000	9,342,000	5,738,000
Wool	556,000	538,000	211,000	71,000
Dairy Products	11,420,000	13,092,000	15,084,000	15,084,000
Fruits and Vegetables	1,900,000	1,900,000	1,900,000	1,900,000
Poultry and Eggs	3,640,000	3,640,000	4,095,000	5,005,000
Fur Farming				82,000
Totals	$211,805,000	$214,257,000	$164,622,000	$100,016,000

The Dairy industry had a fairly successful year. With 8 fewer Creameries than in 1920, the output of Butter was 8,550,105 lbs. with a Provincial estimate of value as $3,163,538; the output of Dairy butter was 9,888,103 lbs. with a value of $2,274,263 and of Cheese 269,524 lbs. worth $51,209; that of Milk, Ice Cream and Cream was valued at $7,100,418. The total of Dairy products was $12,589,431 compared with $15,939,846 in 1920. According to Provincial statistics the number of farmers in the Province in 1921 was 55,184 compared with 46,622 in 1916. George Batho, of the Agricultural Department, estimated (Dec. 14) the average price received by farmers for wheat per bushel as $1; oats 33 cents; barley 44 cents; potatoes 45 cents per bushel. The price received in 1920 was: Wheat $1.83; oats 56 cents; barley 80 cents; potatoes $1.36. Other figures of production included wool clippings estimated at 788,295 lbs. worth $110,000; a Fur production which showed a large decrease with a total value of $1,046,000 in 1921; a Fisheries product, in 1920, of $1,249,607.

Incidents of the year included a sale of Silver fox-skins at Winnipeg (Apr. 27) with 262 lots disposed of at $55,000 and lynx advancing 50 per cent. in price, mink and beaver 30% and marten 20%; the Natural resources production of Northern Manitoba were not available for 1921, but the 1920 total was $2,826,404 and there was continued progress during the current year; the latest Census figures of Winnipeg's industrial growth showed (1918) 745 establishments, $84,546,712 of investment and $118,844,737 output; total Imports into the Province (Mch. 31, 1921) were valued at $64,823,482 and Exports, $25,422,155. In connection with the Weed nuisance and the continuous Government effort to keep it under control, S. A. Bedford, Chairman of the Manitoba Weed Commission, in co-operation with Saskatchewan

and Alberta officials, took a "Weed Special" train through the Provinces in January; manned by a staff of well-known experts, and equipped with the most approved weed-fighting apparatus, the "special" comprised two lecture cars and one demonstration car—the latter fitted up with posters to illustrate the most approved methods of weed eradication and its sides decorated with illustrations of the principal weeds that plagued the farmers with, also, posters describing the methods of control. Agricultural appropriations during 1920-21 amounted to $804,868, while the Agricultural Instruction grant (Federal) given in 1921, for the ensuing year, was $79,113.

As usual, in Manitoba, the Agricultural Society meetings of the year were important with various Live-stock Associations and the Grain Growers' organization all meeting in Brandon on Jan. 10-12. The Hon. G. J. H. Malcolm, Minister of Agriculture, addressed the combined interests and described the work of his Department; he urged a united Agricultural exhibit of the Western Provinces at some United States centre; he stated that the Agricultural College was costing the Province $193,000 a year and should expand further in its assistance to the farmers. The Cattle-Breeders' Association passed a Resolution urging the necessity of pressing for removal of the Cattle Embargo—the fulfilment of the British Government's "definite undertaking"; C. W. McMillan of Winnipeg was elected President and, also, of the Manitoba Shorthorn Club.

The Sheep Breeders' Association urged the advisability of having all woollen and worsted goods stamped with the exact percentage of virgin wool, shoddy, cotton or other textile fibres included in their make-up; George Gordon, Oak Lake, was re-elected President for a third term. The Horse Breeders' Association urged better inspection of breeding animals with a check upon admission into the Province; H. Galbraith of Hartney, was elected President. The Swine Breeders' Association was told by W. C. McKillican, retiring President, that for years, owing to the high prices of grains, pork could not be produced at a profit save during a few months in the year, but the country now was full of cheap feed in excess of the local demand, and, though live pork prices had slumped, it was possible to feed pigs profitably on markettable grain; A. C. McPhail, Brandon, was elected President.

The United Farmers of Manitoba. This organization held a most important annual Convention at Brandon on Jan. 12-14, 1921, with a rather notable address from President J. L. Brown, of Pilot Mound, who, later in the year, was elected to Parliament as a follower of Mr. Crerar. He referred to the organization of the Manitoba Co-operative Dairies, Ltd., formed out of the Manitoba Milk Producers' Association, with the approval and assistance of the U. F. M. Directorate, as having great possibilities for good and he favoured also the establishment of a Wheat pool; he denounced the arguments and policy of Protec-

tionists and made some shrewd points on the fiscal issue while declaring frankly that no economic policy could have prevented an after-war depression though it might have ameliorated conditions; claimed that the means of relief were (1) a tariff policy based on the idea that exchange or trade is mutually beneficial and (2) reduction in the cost of production and distribution.

The Directors' Report reviewed the work of political organization and stated that collections for the purpose to Dec. 31, 1920, totalled $54,691, and that the Committee in charge, with E. E. Bayne as Chairman, had been incorporated as the U. F. M. Political Executive; urged, as practicable, the formation and operation of a Manitoba Co-operative Wheat-pool; described the Educational campaign of speech and pen organized to reach people throughout the Province and culminating in a Short Course under the joint auspices of the Agricultural College, the Manitoba University and the U.F.M. The Political Committee reported as to preliminary organization and the work of 900 persons covering the Province and labouring, especially, with a view to the Federal elections. D. G. McKenzie and R. A. Hoey were the chief organizers. The Secretary reported 15,825 members or an increase of 6,171 during 1920 with 391 Locals or an increase of 99; an immense amount of campaign literature had been issued and the United Farm Women had been very helpful in propaganda. The Auditors showed Receipts of $26,438 and a balance of $1,077 in hand.

The most important matter before the Convention was that of Political action; the first step was the passage of a Resolution declaring that "circumstances demand that the United Farmers of Manitoba give definite and purposeful attention to public questions in the Provincial sphere, and to the responsibilities which the future may call them to undertake"; the next was to confirm the action of the Directors in communicating with Locals throughout the Province "in regard to the formulation of principles relating to the various fields of legislation which come under the Provincial control"; the Convention then asked all Locals and leaders of agricultural thought to consider the question carefully in the next two months and to send in the result to the Central Office; the Board was directed by Resolution to take into consideration all their material, coming in or already collected and from it prepare a Platform to submit to the Local and District bodies. In the following November all these bodies were instructed by further motion to consider, vote and report upon this draft Platform; a final completed draft was then to be prepared and submitted to the 1922 Convention.

As to interim emergencies, this Resolution, also, was passed: "Should a Provincial election be announced during the year 1921, the Board shall be required to formulate and issue forthwith, in brief form, the main principles upon which there is most general agreement, which shall form the temporary Platform along the lines of which Conventions called under U. F. M. aus-

pices in the Provincial constituencies may act." A series of motions were then passed as to calling of Provincial Conventions and various details of organization. Meanwhile, N. P. Lambert, of the Canadian Council of Agriculture, had addressed the Delegates as to co-ordinated action amongst Provincial bodies; other speakers were G. F. Chipman of *The Guide*, Mrs. George Brodie, President of the U. F. O. Woman's organization, Hon. T. A. Crerar, Hon. Duncan Marshall of Alberta, H. W. Wood, President U. F. A., J. R. Murray of the United Grain Growers' Co., M. A. Brown, Medicine Hat. The following were the chief Resolutions adopted, in addition to those of a Provincial political nature.

1. Emphasing the principle "that further development of the British Empire should be sought along the lines of partnership between nations free and equal; that this development has been steadily in the direction of more complete autonomy for the great self-governing Dominions; that the time has now come when, except in cases where questions of constitution are involved, the Supreme Court of Canada should be the final Court of Appeal."
2. Urging the British Government to fulfill a "definite undertaking" to remove the Cattle Embargo.
3. Viewing with apprehension the plans of the Western Colonization Association to promote settlement and suggesting that this Association direct "its efforts to the improvement of the conditions of the present residents of the land, and the solution of the especial problems" facing the Western farmer.
4. Endorsing the policy of the Council of Agriculture as to the co-operative selling of wheat.
5. Reiterating the Association's stand upon Prohibition and declaring that the legislation now under operation should be given at least three years' sympathetic administration.
6. Asking "for a more simple and less expensive system of collecting the present Income Tax."
7. Supporting the Provincial Government plan of Savings Banks and trusting that it would lead to a National banking system.
8. Requesting the Railway Commission to make it "compulsory on all Railway Companies to install telephones in all their station houses," and the Provincial Government to instruct Provincial Telephone exchanges to give subscribers, on request, the daily closing prices of the Winnipeg market.
9. Endorsing the appointment of Mr. Crerar as Leader of the New National Party.
10. Suggesting the fixing of a Minimum wage for Nurses-in-training and approving the annual Provincial grant to Children's Aid Societies.
11. Supporting the claim of Manitoba to own and control its Natural Resources.
12. Urging the Dominion Government to apply revenues secured from terminal elevator overages toward the reduction of inspection and weighing charges.
13. Declaring that the fullest success of Co-operative Wheat Marketting schemes could only be realized in joint action by the Western Provinces.
14. Demanding that women be given rights to naturalization similar to those of alien men; that the wife of an alien "be naturalized in like manner and with the same effect as if she were *femme sole*, but her naturalization shall not affect the status of her children of alien male parentage, whether born before or after the date of her naturalization"; that the wife of "a naturalized British subject be given the right to take

out personal naturalization papers"; that "when a woman who is a British subject marries an alien, it shall be lawful for her to make a declaration that she desires to retain British nationality, and thereupon she shall be deemed to remain a British subject."

15. Condemning an alleged campaign by the "privileged interests" to stifle the free expression of low-tariff thought through the removal of advertising from a part of the Press.

16. Protesting against the Hanna order as to no politics, or political candidacy amongst the employees of the National Railways.

17. Declaring the Association "believers in equal property rights as between husband and wife, and the safeguarding of the rights of children."

18. In view of "the catastrophe brought upon the whole human family by a militaristic nation, the foundations of whose power were built upon compulsory military training in schools, we express ourselves as utterly opposed to any system of military training in the schools of Canada."

19. Commending "to the favourable attention of every U. F. M. Local, the campaign of the Manitoba Co-operative Dairies, Limited, in securing the necessary stock basis for their operations."

20. Protesting against the recent increase in freight rates as a subsidy to the C. P. R. and declaring that any deficit in Government Railways should be borne by the Dominion Treasury.

21. Urging concerted Provincial action to obtain the power to make Direct Legislation a law.

22. Asking the Council of Agriculture to investigate the Canadian Banking system.

23. Opposing restrictive legislation as to carrying fire-arms.

24. Asking the Provincial Government "to adopt the tonnage system of taxation on motor licenses, thus placing an equitable tax on all motor-driven vehicles."

The officers of the U. F. M. elected for 1921-22 were as follows: Hon. President, J. W. Scallion, Virden; President J. L. Brown, Pilot Mound; Vice-President, C. H. Burnell, Oakville; Secretary, W. R. Wood, Winnipeg. The Executive consisted of these officers with R. J. Avison, Gilbert Plains; Peter Wright, Myrtle; Mrs. J. S. Wood and Miss M. E. Finch. Following this Convention that of the Manitoba Co-operative Society was held in Winnipeg on Feb. 9, and, after an address from Hon. T. A. Crerar, a Resolution was approved proposing a Committee from the Federation of Manitoba Co-operative Societies to meet with Committees from the United Farmers of Manitoba, and the United Grain Growers, in order to draw up a definite plan for linking together the various Co-operative societies of the Province, to deal with collective buying, formation of new societies and central supervision as to management and accountancy and, also, to plan affiliation with the Canadian Co-operative Union.

In the press of Apr. 30, the proposed tentative platform of the U. F. M. was made public with, incidentally, the approval of its general proposals by the *Manitoba Free Press*. The chief of these were as follows: Direct legislation; Proportional representation in grouped constituencies; the Preferential ballot in single member constituencies; equality of sexes before the law; compulsory education; encouragement of secondary and university education; safeguarding of the public health; child welfare; reform of prison and correctional methods; improve-

ment of farming conditions; extensions of such aids to agriculture as the Animal Purchase Act, Rural Credits, Farm Loans, Provincial Savings; the securing of the natural resources; allocation of taxation between the Dominion and the Provinces.

The United Farm Women of Manitoba. This Convention was held a day before the men's gathering at Brandon and opened with an address by Mrs. J. S. Wood, President, who described the vital principles of the organization as being "development of the co-operative spirit, cultural advancement and the common good of all mankind." For years they had fought for Prohibition and, at last, the will of the people had prevailed; since the last Convention the women for the first time, had the privilege of taking part in a Provincial election and in a Prohibition referendum; they had assisted in the conduct of the Election by assuming the responsibility of holding office and "the presence of the women at the polls seemed to have a steady effect." The Secretary, Miss M. E. Finch, reported 42 Women's Sections organized in 1918, 29 in 1919, and 30 in 1920, making a total of 101 to date—20 of these were not in good condition; the membership was estimated at 1,200 with 234 associate or young people members; 15 sections reported Libraries and 9 of them Travelling Libraries. Mrs. J. S. Wood, Oakville, was re-elected President; Mrs. James Elliott, Cardale, was elected Vice-President, and Mabel E. Finch, Winnipeg, re-elected Secretary. The following Resolutions were adopted:

1. Urging that the scope of the Mothers' Allowance Act "be widened so that a family shall be eligible where the father is physically disabled through tuberculosis or otherwise, and totally unable to provide for his family's maintenance.
2. Declaring that current Temperance legislation must be given at least three years' sympathetic administration.
3. Asking the Provincial Department of Health to promote greater interest in Better Baby Conferences throughout the Province, and pledging co-operation; expressing appreciation of the work of the Department.
4. Deploring the alleged conditions on Railways for the transportation of the sick to Hospitals—patients and attendants, after paying first-class fare, being often compelled to travel in a baggage car with absolutely no conveniences.
5. Urging the need of Domestic help and the appointment of a Provincial Woman representative to act with the Federal Immigration authorities.
6. Asking for Naturalization equality—as per resolution also passed by the U. F. M.

The Public Schools of Manitoba. Robert Fletcher, Deputy-Minister, reported to Dr. R. S. Thornton, Minister of Education, for the year of June 30, 1921, an increased registration of pupils—129,015 as compared with 123,452 in 1920; an enrollment in the Summer School classes of 242 with 201 in residence at the Agricultural College, and 162 teachers attending one or more of the courses which covered nature study, manual training, primary methods, household art, household science, basketry, methods in history and geography, art drawing, etc.; a total of

110 consolidated School districts and 246 rural residences provided for teachers, with 42 others in villages or hamlets and 5 in towns; the provision of residences also for caretakers at a few of the schools; the issue of Debentures totalling $2,629,414 for the construction of new school buildings or enlargement of others; a total Expenditure by the Government in 1920-21 for Educational purposes of $1,887,461, of which $1,008,797 went for administration and grants, $212,998 for the University of Manitoba, and $332,265 for Manitoba Agricultural College; in the High Schools there was an enrollment of 8,615.

The Provincial Normal School, under W. A. McIntyre, reported 309 students of whom 24 were men, with an increasing number taking 1st Class professional work; stress in the past 15 years had been laid upon community as well as school services of the teacher, with training in co-operative activity as a developing aim. The Brandon Normal School reported 48 pupils of whom one was a man; the Winnipeg Public Schools under Dr. Daniel McIntyre, reported 874 teachers and 35,766 pupils enrolled. The Inspector, in an elaborate report, specified 56 school buildings containing 717 regulation class rooms, 12 scientific laboratories, 13 household arts rooms, 11 household science rooms, 26 manual training rooms, 15 technical shops and 26 auditoriums with the necessity of 60 additional class-rooms every year; his special reports from the Medical Inspector, Nurses, Oculists, Little Nurses' League, and Dental Inspector—the latter with operations running up to nearly 14,000—indicate the wide range of school activities. The total Free text-books distributed in the Province were 58,537; the Industrial Training School at Portage reported 114 boys.

The Juvenile Court in Winnipeg heard 1,248 cases of offenders during the year of whom 1,001 were boys under 16 and 414 were charged with theft or shop-lifting, 229 with disorderly conduct or wilful damage, and 272 with breach of City by-laws; the Manitoba School for the Deaf—including all four Western Provinces—had 164 pupils; D. S. Hamilton, Superintendent of the Children's Act, reported 20,000 children as benefitted and helped in the past 22 years and in the current year 558 wards cared for with 452 children supervised in their homes and 494 cases received during the year. The Director of Technical Education (R. B. Vaughan) reported as to work placed in his hands in 1920 and covering 15 classes in Manual training, 11 in Home economics, 5 High School classes in Agriculture, Evening schools of a Technical character with 3,571 students in Winnipeg. The number of School Districts in Manitoba was 2,074, of Departments 3,596, of School-houses 1,893—an increase in each case over 1920; the number of teachers was 3,708 of whom 796 were male and 2,912 female—409 1st Class, 1,928 2nd Class, 965 3rd Class, 75 Specialists and 331 Permits; there were 642 students attending Normal Schools. The Receipts of the year were $822,186 from Legislative grant, $6,922,864 from Municipal

Taxes, $2,250,072 from sale of Debentures, $2,773,212 from notes or overdrafts—with sundries and balances from previous years the total was $13,506,292. The Teachers' salaries in 1921 were $4,549,504 or an increase of $1,253,469.

Educational incidents of the year included a revival of the School question in popular discussion. Archbishop Beliveau of St. Boniface, at the close of 1920, had told a winter conference of the Canadian Educational Union as to the vital need for Catholic religious instruction in the schools and complained of the hardships of the existing School system to his people; declared that "to the numerous difficulties which come with the overcrowding of the primary school programmes, is added, for our children, this other difficulty of having to make use of a strange language in order to absorb these too numerous subjects"; stated that "because we of the French language wish to remain French, while having the knowledge of English which we consider necessary for our interests, we have a double reason for condemning the programme—(1) because it sins against the rules of a sane pedagogy and (2) because it is an attempt against our national life." The comment of the Winnipeg *Free Press* (Jan. 5, 1921), was that "the demand which Archbishop Beliveau makes for his people will also be made—has, as a matter of fact, already been made—on behalf of Germans, Ruthenians and Poles." The result, if permitted, would be a polyglot community and an impossible condition; the situation, to this journal, seemed to involve danger to the School settlement of 1916.

In the Legislature of this year there were five French-Canadian members, Hon. J. E. Bernier, Maurice Duprey, A. R. Boivin, P. A. Talbot and Joseph Hamelin, with two Ruthenian members who stood vigorously for Bi-lingualism and religious instruction in schools. Mr. Bernier delivered a three days' speech (Feb. 23-5) upon this subject and demanded the re-establishment of Separate Schools, while calling for instruction of the non-English children in their own languages. The subject was raised in another form in the Legislature, on Apr. 4, through criticisms of the Official Trustee system under which Ira Stratton and J. F. Greenway were placed in charge of Educational Districts containing large elements of Foreign population—the former dealing mostly with Ruthenians and the latter with Mennonites. Under this system school districts where the ratepayers failed to furnish accommodation, or refused to engage competent teachers, were taken in hand and given direction by the Official Trustee until they fully met the requirements of the law.

The issue was presented by M. J. Stanbridge (Lab.) who moved a reduction of the Estimates as to Official Trustees. He claimed that the services of these officers were unnecessary, and that, in all cases, the right to control Education should be in the hands of local Trustees where the ratepayers so desired; amongst the speakers in support of the motion, which was re-

jected by 27 to 14, were P. A Talbot, A. E. Kristjanssen, N. A. Hrynorizuk and D. Yakimischak. The system was criticized as arbitrary and ineffective; those in favour of the system declared that if the power of the Department to intervene by the appointment of such officers were abolished, Bi-lingualism would re-appear in most of the non-English settlements. Late in April the Rev. H. Doerksen and the Rev. H. J. Friesen signed a Memorial which was sent to all members of the Legislature; it appealed for linguistic liberty in the schools and concluded as follows: "We harm nobody; all we ask is to be left alone and, if we must submit to the present strict and stern way of carrying out the school laws, that we at least be permitted a few hours for tuition in our mother tongue."

Other incidents of the year included the 16th annual Convention of the Manitoba Educational Association in Winnipeg on Mch. 29-31 with 1,600 delegates in attendance; there were a number of important addresses with P. D. Harris in the chair and H. D. Cummings, Teulon, elected President for 1921-22. Another important organization was the Manitoba Teachers' Federation, which claimed, during this year and the preceding one, to have (1) created and developed a professional spirit among the teachers of Manitoba; (2) aroused public interest in educational matters to an unprecedented pitch; (3) increased the average salary paid to teachers in the Province by more than 40 per cent.; (4) secured, in co-operation with the Trustees' Association, a Board of Reference to settle disputes between Teachers and School Boards. On Sept. 19, the Manitoba Law School was formerly opened at Winnipeg by Sir James Aikins with addresses also by R. W. Craig, K.C., Theo. Hunt, K.C., and the Attorney-General (Hon. T. H. Johnson); during the year Archbishop Matheson of Winnipeg, President J. A. MacLean of the University, Rev. Dr. David Christie, Winnipeg, and Alfred E. Hill, Brandon, were appointed to the Advisory Board of the Department of Education; Dr. T. Glen Hamilton was elected President of the Manitoba Medical Association.

The University of Manitoba and other Institutions. This Provincial University enrolled, during the College year, 1920-21, a total of 2,151 students, an increase of 138 over the previous year. The Registration by courses was: Master of Arts, 26; Arts and Science, including Special Students, 837; Engineering and Architecture, 123; Medicine, 265; Pharmacy, 30; Law, 107; Agriculture, 57; Home Economics, 19; Special Teachers' Course in Arts, 37; Returned Soldiers' Courses, 32; Summer Course in Pharmacy, 21; Short Course in Business, 66; Economics, 93; Evening Courses, 263; History of Art, 175. On May 20th, the 44th annual Convocation was held, and 220 degrees conferred on students by Archbishop S. P. Matheson of Rupert's Land, Chancellor of the University, while an Honourary L.L.D. was conferred on two men who had been active in the service of the Province: Spencer Argyle Bedford and Dr. Robert Johnstone Blanchard.

The Board of Governors reported for 1920-21 that the members whose terms expired on June 1st, 1921 were Henry Havelock Chown, B.A., M.D., C.M., Winnipeg; Norman Platt Lambert, B.A., Winnipeg; Almon James Cotton, Swan River; and they were re-elected for a period of 3 years from that date. The gift of $500,000 for the endowment of the Faculty of Medicine from the Rockefeller

Foundation, was made available for use of the University when the capital grant of $400,000 for Medical buildings and the increased grant of upwards of $20,000 for maintenance of Medical Teaching were authorized by the Legislature at its 1921 session. This made it possible to erect and equip for use two units of buildings to supplement the space and equipment turned over in 1919, to the University, by Manitoba Medical College and to increase the teaching efficiency. The Board also decided to inaugurate with the opening of the Session of 1922-23 a higher entrance requirment calling for the completion of 2 years of undergraduate work in Arts and Science instead of one, as previously, and with a certain definitely prescribed minimum of Science work.

An important step was taken in the internal administration during the year, whereby provision was made for the appointment of a Dean of each Faculty, who should be its chief executive officer; at the same time a General Faculty Council was created to co-ordinate the work of the various individual Faculties and to deal with matters affecting the interests of more than one Faculty. On account of the increasing attendance the Board recommended preparatory work on a new plant at the Tuxedo site—with 5 or 6 buildings eventually necessary which would involve the expenditure of, at least, $3,000,000. This the Legislature would be asked to provide in 6 annual installments, of $500,000 each, commencing with the year 1923. Activities in the University during 1920-21 included the inspection of the C.O.T.C., number 291 all ranks, on March 10, 1921, by Maj.-Gen. Sir H. E. Burstall, K.C.B.; the Extension Service conducted by Professor Stoughton, assisted by J. A. M. Edwards, up to March 19, which included 83 lectures by 16 lecturers at 51 towns in the Province and adjacent territory, with an attendance of over 9,500 or an average of 123 per lecture; the conduct of special courses during the year, in Geology, Rural Economics, Economics of Industry, History of Art, Business and Commercial Law, a Short Course for Merchants, a Short Course in Life Insurance, A Special Course for Nurses, a Social Service Course of 27 lectures, a Special Course for Teachers; the accession to the Library of 1,175 works in 1,600 volumes, in addition to a number of bound volumes of periodicals.

The 50th anniversary celebration of the founding of Manitoba College (Presbyterian), was held Nov. 14-20. This College was founded by the Rev. G. W. Bryce, M.A., at Kildonan, on Nov. 10, 1871; the classes began with an enrollment of 7 students, and it is interesting to note that amongst the names of the first Board of Management appointed by the General Assembly were those of the lawyer who afterwards became Sir Thomas Taylor, Chief Justice of Manitoba, the Hon. Gilbert McMicken, John Sutherland, M.L.A., Rev. John Black, and the Rev. Professor George Bryce, while the Board of Trustees included Donald A Smith, (afterwards Lord Strathcona), Hon. A. G. B. Bannatyne, M.L.A., and Hon. Donald Gunn, M.L.A. In 1874 the College was moved to Winnipeg; in 1883 the General Assembly established a Theological Department, in addition to that of Arts; later the College co-operated with Wesley and St. John's Colleges after the University had provided quarters for them in the year 1890. A radical change was made in 1914 when the Board took the step of handing over to the University not only its large body of Arts students but its Arts staff, retaining its identity purely as a Theological College of the Presbyterian Church. A special Jubilee Convocation was held on Nov. 18, 1921 to confer the degree of Hon. D.D. on Rev. Frank H. Russell, of Ohar, India; Rev. J. E. Munro, B.A., of Oakville, Ont.; Rev. W. W. Clarke, of Saskatoon; Rev. Peter Scott, B.A., of Portage la Prairie.

In the Report of the Board of Directors of Brandon College for the year ending Aug. 31, 1920, issued in April 1921, the enrollment of 418 showed the largest attendance in the history of the College by over 15 per cent. The graduation list included 15 in Arts, 2 in Music and Expression, and one in Theology. Appointments during the year were Prof. Joseph E. Howe, M.A., in the Department of History; Prof. J. W. Hill, M.A., Chemistry; and Rev. S. Everton, M.A., as Registrar of the College. Wesley College, Winnipeg inaugurated a drive for funds in the Spring of 1921 with an objective of $500,000, and by May 1st had $250,000 in cash, with $150,000 promised. At St. John's College, Winnipeg, the new office of Warden of the College fell upon Lt.-Col. the Rev. G. A. Wells, C.M.G., D.S.O., with duties commencing Sept. 1st, 1921.

The Martin Government in Saskatchewan: Administration, Finance and Legislation.

The first event of the year, in connection with the Government of Saskatchewan was the retirement of Sir Richard S. Lake, K.C.M.G., the popular Lieut.-Governor of the Province since 1915 and the appointment, early in February, of Hon. William Henry Newlands, a member of the Provincial Supreme Court since 1905, as his successor. The Government of the Hon. W. M. Martin had a difficult year to face so far as crops and financial conditions were concerned, though prospects in the former respect were at first excellent. Politically, Mr. Martin held the confidence of the people as a whole and, what was more difficult at this juncture, of the Grain Growers' of the Province. The support of the latter section, however, was, by the end of the year, becoming less assured. A triangle of leaders in both the Government and the Grain Growers—J. A. Maharg, C. A. Dunning and George Langley—who had hitherto helped to maintain the combination was becoming disintegrated.

Mr. Martin dealt, as usual, fully and frankly, with the current issues of the day; his personal opinions were Liberal, but his policy had been an agricultural one in the main. The Government was closely associated with the 20,000 farmer shareholders of the Saskatchewan Co-operative Elevator Co., through a joint investment of over $5,500,000 in its facilities for improving grain marketting as well as by way of guaranteed borrowings. Mr. Dunning had been General Manager of this concern in 1911-16 and Mr. Langley, for years, had been, and was, a Director of the Grain Growers' Association. At the beginning of the year Mr. Martin was still Minister of Education and, speaking at Saskatchewan on Feb. 24, to the School Trustees' Convention with its thousands of Delegates, he pointed out that, in such a gathering, it was essential to look at Education from the standpoint of the many and not of a few; he referred to the difficulties of the School situation and hinted at a coming change in the enforcement of the Attendance law from the Education Department to some new central authority.

There was, during this year, as in 1920, an effort to raise the Separate School question again and the Trustees' Association passed a Resolution declaring Separate Schools in Saskatchewan, whether Protestant or Roman Catholic, to be "distinctly prejudicial to harmony and co-operation," and urging the Provincial Government "to take action towards the abolition of all Separate Schools and denominational Public Schools in the Province"; another Restlution, also unanimous, declared that "the English language should be the only language of instruction in the Schools of Saskatchewan" and urged the Government to at once take action. The Premier met this issue on May 18, at another Saskatoon Convention, with an expression of regret at the raising of the issue, and quotations from the terms of the Confederation Act and the Union Act of 1905 which guar-

anteed preservation to minorities of all School rights possessed at entry of the Province into Confederation:

> The effect of this Section is to continue in force whatever rights the minority, whether Catholic or Protestant, possessed under the provisions of Chapters 29 and 30 of the Ordinances of the North-West Territories passed in the year 1901, privileges which had been in force in Territorial days for many years, providing for the establishment of Separate Schools, whether Catholic or Protestant. I think I may say the system in Territorial days operated very satisfactorily, and, in the judgment of the Parliament of Canada, in 1905, the enactment constituted a happy solution of a vexed question. Minority rights, whether Protestant or Catholic, are exactly the same to-day as they were prior to 1905. No change has been made in the Section of the School Act in so far as minority rights are concerned, and it is the policy of the Government to administer the law in this regard as it was fixed by the constitution given us in 1905. In order that there may be no misunderstanding on the question, I quote section 41 of Chapter 29 of the Ordinance of the Northwest Territories of 1901, which is the main Section dealing with the question, and reads as follows: '(41) The minority of the ratepayers in any district, whether Protestant or Catholic, may establish a Separate School therein; and in such case the ratepayers establishing such Protestant or Roman Catholic Separate School shall be liable only to assessments of such rates as they impose upon themselves in respect thereof.'

He pointed out that in 1905 there were 894 School Districts and 21 Separate Schools in the Province; in 1921 there were 4,500 and 21, respectively. Mr. Martin's policy as to Municipalities in difficulty or default was control of the indebtedness by the Local Government Board, created in 1912, but no Government responsibility for such Debts or for conditions preceding the appointment of the Board. He explained this to the Toronto *Globe* of July 6 during a visit to Ontario and added: "Only a few places in Saskatchewan are in difficulties, due to over-spending during the boom days. Generally speaking, there is no reason why anybody should hesitate to invest in Saskatchewan municipal securities if ordinary discretion is used." At this time Mr. Martin had been returned to power with a good majority; on Nov. 11, he presided at an important Conference in Regina between the members of the Provincial Government and representatives of various commercial and farming interests of the Province; it had been called by the Premier and amongst the organizations represented were the Retail Merchants, Mortgage and Loan Companies, Implement dealers, Grain Growers, Stock Growers, Lumber dealers and Rural municipalities.

The Premier admitted that the financial situation was serious with the farmers facing a short crop, low prices, bad season and heavy expenses in the past year; but it was only a matter of time for recovery and he was optimistic as to the future; the Province was not bankrupt, a Moratorium, as suggested by some, was entirely unnecessary and the Government was strongly opposed to it. The discussion was a full and useful one and it enabled the Government to take measures for relief in specific cases. On Sept. 30, Mr. Martin took part in a Lib-

eral nomination meeting at Regina during the Federal Elections and gave his personal adhesion to Hon. W. R. Motherwell's candidacy as a Liberal; on Dec. 1st he made a notable speech at Regina, just before the Elections, in which he spoke strongly for Mr. Motherwell and in opposition to certain policies of the Grain Growers' Association and to their backing of Mr. Crerar and the Progressives against both Liberal and Conservative parties; incidentally, he was alleged to have placed his Government in antagonism to an organization which had hitherto refused to promulgate a Provincial policy against his own Administration or to oppose it in any organized form.

After claiming that Conservative Governments always left the country in a condition of depression, he dealt at length with the Platform of the Progressives and declared that if it had not been for a division in the forces of Liberalism, caused by this new party, there would be no doubt about an overwhelming triumph for the Liberal party and for Liberal principles in every Province in Canada. Fundamentally, he added, there was little difference between the policies of the two parties, but reforms promised by the Liberals went more directly to the needs of the nation. He criticized the Progressive Party policy in details. The proposed Tax of one mill on the dollar on unimproved lands would only produce $20,000,000 in all Canada and would greatly interfere with Provincial and Municipal taxation; a graduated Income Tax would be no better than the present one and the proposed Inheritance tax would conflict with the Succession duties of all Provinces; as to labour, the Progressive Platform contained no political suggestions, whereas the Liberal platform favoured unemployment insurance, insurance against sickness, old age and disability pensions.

He strongly opposed the Recall plank of the Farmers' Party: "'No sensible man who has a proper appreciation of his responsibilities as a member of Parliament would agree to place his resignation in the hands of any group of men to be used under any condition during his term. It would create an undue interference with the independence of Parliament, and is unconstitutional under our system of government." The Farmers and the Liberals were agreed upon Tariff and Reciprocitiy issues but not upon the matter of class policy and action; he cited the views of H. W. Wood and J. J. Morrison in this connection. In Alberta "it is simply class, first and last," and in Ontario "the movement is largely a class movement." He urged a combination of Farmers and Liberals to defeat the Meighen Government. The speech caused a political sensation and several results followed.

The Government had been closely associated with the policy of the Saskatchewan Grain Growers' Association. This powerful body had appointed, in 1920, a new National Policy Political Committee with its object, in the main, Federal but with instructions to prepare a tentative Provincial platform and submit it

to the Locals; the Executive asked for suggestions along this line and out of 1,170 letters despatched to Secretaries, only 135 replies were received, with 44 of these opposed to Provincial political action; the President of the Association, J. A. Maharg, and the Secretary, J. B. Musselman, were in favour of active Federal politics for the organization but of non-intervention so far as the Provincial Government was concerned; so, of course, were Messrs. Dunning and Langley, two leaders in the organization and members of the Martin Government.

At the 1921 Convention of the Association in Moose Jaw, with 1,600 delegates present, on Feb. 2-4, this question was conspicuous with varied criticism of the action of Hon. W. E. Knowles, of the Premier, and of one or two other Ministers, in addressing Liberal meetings. The Hon. C. A. Dunning announced the Government policy as follows: "I believe the Premier is taking the proper stand when he says that his Government and its political organizations shall not be used for the advancement of any Federal political party. But as an individual citizen of Canada, I am not deprived of my right. As a Government, the Saskatchewan Government does not support any party." A Resolution was eventually presented and discussed at great length which declared that "it is not in the best interests of the Association that any definite step should be taken at this time towards the creation of a Provincial Political Platform, but that the matter be referred back to the Locals for further consideration and disposition at the next annual Convention." Amendments were proposed, the discussion was heated at times, and J. A. Maharg, as Chairman, had difficulty in controlling the debate but, eventually, the above motion was declared carried; another Resolution moved by F. S. Wilbur and stating, specifically, that the Association should at once enter Provincial politics, was voted down by an overwhelming majority. It may be added that the same organization vigorously supported Mr. Crerar and his Federal party in the December elections but had refused, in September, to discuss a combination with the Liberals to defeat the Meighen Government.

Changes in the Provincial Government. Meanwhile the Provincial situation was closely connected with current changes in the *personnel* of the Government. The Hon. W. E. Knowles, K.C., Minister of Telephones and Provincial Secretary, resigned on Feb. 28 in order to take up his private business at Moose Jaw; later he was Liberal candidate in the Federal elections but was defeated. Mr. Martin assumed charge of the Telephone Department in addition to his current duties as Minister of Railways and of Education; Hon. S. J. Latta, Minister of Highways, took charge of the Provincial Secretary's Department. A couple of weeks later Hon. W. F. A. Turgeon, K.C., Attorney-General since 1907, retired to take a place on the Provincial Court of Appeal (Mch. 14) and the Premier added this Department, temporarily, to the others he was looking after.

On Apr. 23 it was announced that John Archibald Maharg, M.P. for Maple Creek since 1917 and, for 11 years, President of the Grain Growers, had accepted a place in the Provincial Cabinet and would shortly resign his seat; at the same time Mr. Maharg issued a letter to the Locals of his Association stating that he would retain the Presidency until the next Convention and that his object in accepting the new post was "the bettering of the conditions of those who are trying to secure a competence through following the pursuits of agriculture." Mr. Musselman, Secretary of the S. G. G. A., in defending this action of the President, stated that Mr. Maharg had not joined a Liberal Government; "Time and again it has been made clear that the Government of this Province has no connection with the Liberal party which is a Federal party." As a matter of fact, besides Messrs. Langley and Dunning, who were Grain Grower leaders as well, Messrs. C. M. Hamilton and S. J. Latta had been influential members of this organization before joining the Cabinet. On June 14 Mr. Hamilton became Minister of Highways and Mr. Maharg assumed his post as Minister of Agriculture—the Cabinet being re-organized. as follows, with Mr. Langley and Mr. McNab alone retaining their old Departments:

Prime Minister; Minister of Telephones and Telegraphs; Minister of Railways and Attorney-General	Hon. William Melville Martin, K.C.
Minister of Public Works	Hon. Archibald Peter McNab
Minister of Municipal Affairs and of Public Health	Hon. George Langley
Provincial Secretary and Treasurer; Minister of Labour and Industries	Hon. Charles Avery Dunning
Minister of Education	Hon. Samuel John Latta
Minister of Highways	Hon. Charles McGill Hamilton
Minister of Agriculture	Hon. John Archibald Maharg

Meantime, Mr. Maharg, who had temporarily held the Department of Telephones, had been elected by acclamation in Morse after his retirement from the Commons; in his first speech after appointment, at Estevan on June 23, he stated that Co-operation was the biggest thing in Saskatchewan to-day and was the keynote struck at all Provincial gatherings. In September occurred the somewhat sensational retirement of Mr. Langley from the Government. A strong Liberal and a prominent Grain Grower, a member of the Government since 1913, he was a man of vigorous views and dominating temperament; the Premier, after the event in question, accused him of constantly interfering with the administration of justice in the Province. The incident which led to the trouble was a somewhat sordid and unpleasant one involving, seriously, the moral character and conduct of a Policeman called William Sulaty at Halford, in the Minister's late constituency of Redberry.

On Sept. 30, the Premier wrote to Mr. Langley, enclosing copy of a letter which the Minister had written on Sept. 23 to Thomas Murray, a Special Provincial Magistrate who was conducting an Enquiry at Prince Albert into the conduct of Sulaty. In it Mr. Langley referred to the coming investigation and said: "I want you to know how I regard it. You will find herewith report from my confidential agent and his remarks are exactly

my own view." The remarks quoted with approval were as follows: "With regard to William Sulaty, the Provincial Policeman, I want to impress upon you that it would be advisable to have this man right in Halford in spite of everything." The Premier's comment upon the matter was explicit:

> I can only say that any man who would deliberately go to Prince Albert to see the magistrate, having charge of so important an investigation, for the purpose of influencing the judgment of the magistrate in favour of a member of the Police force charged with the serious offences which are charged against Sulaty and, failing to see the magistrate, would write the letter above referred to, has no sense of public morality, has no sense of his responsibility to the people of the Province, and has not a proper appreciation of the absolute necessity of keeping the administration of justice clean. Since you have placed yourself in this regrettable position, I have no alternative but to ask you to let me have your resignation forthwith.

Mr. Langley at once wrote out his resignation and, on Oct. 4, followed it with a letter stating that he was leaving the Cabinet with "a gnawing sense of being treated with gross injustice" and added: "Regarding my grave indiscretion, I make no excuse except that I did it in the interest of a man who, I sincerely believed, was being ill-treated by his superior officers. When my indiscretion became known you took a most extraordinary course in my absence, you decided to judge and pass sentence upon me without giving me an opportunity of offering any defence or explanation." The rest of the letter was of a mixed personal and political nature with keenly expressed resentment at the tone of the Premier's communication and the claim that his own resignation should, in view of his long public services, have been asked for in a different form and spirit.

The presentation of this correspondence to the Legislature on Dec. 15 was followed by the publication of Mr. Langley's statement (Dec. 16) in which he quoted from alleged personal incidents in the Council Chamber to prove a point against the Premier. To this Mr. Martin took grave exception and in the Legislature, on the same day, said: "A meeting of the Cabinet was called to permit Mr. Langley to state his case to the members of the Government and he has seen fit, notwithstanding his Oath of Office, to divulge what he alleges took place there." The Premier pointed out that the Oath in question was explicit as to this: "You will keep close and secret all such matters as shall be treated, debated and resolved in the Executive Council, without publishing or disclosing the same or any part thereof by word, writing, or any otherwise, to any person out of the same Council." As to the rest: "Before I dismissed Mr. Langley from the Government of the Province I consulted with and had the approval of every member with the exception of the Minister of Education, who was absent. I had the consent and approval of the then Minister of Agriculture, who has since resigned from the Government."

Then came the Federal elections and the controversy as to the speech of Mr. Premier Martin at Regina. On Dec. 5th Mr.

Maharg announced his resignation and, on the 13th, his letter of the 7th inst. to the Prime Minister, and the latter's reply, were read to the Legislature. Mr. Maharg stated that he had entered the Government on certain conditions: "The first was that it should not in any way interfere with my work in the Saskatchewan Grain Growers' Association. The second was that it should not in any way interfere with my activities in connection with the new Progressive Political Party. The third was that I should feel that I had more or less the sympathy of the different members of your Government." He went on to repeat an alleged interview with the Premier and to say that in the Federal elections some members of the Government had supported the Progressives and some the Liberals; to this he took no exception, but he did object to the Premier actively supporting a Liberal candidate and to the terms of his Regina speech; he seemed to believe that Mr. Martin had, in some way, committed himself to a support of the Progressives.

Mr. Martin replied at length to this letter—in about three columns of the Regina *Leader* of Dec. 13—and his position, in a nutshell, was that he had allowed absolute liberty to all the members of the Cabinet as to their Federal politics, policy and activities and claimed the same rights for himself; that the vital plank of the Progressives was the Tariff, as it was in the Liberal policy, and upon this point they were all agreed; that his policy, publicly and repeatedly stated, was non-Government intervention in Federal politics; that Mr. Maharg's letter, carefully analyzed, showed "no ground whatever for resigning unless you are prepared to admit that you would not remain a member of any Provincial Government unless that Government as a whole supported the Federal political party with which you are in sympathy." He absolutely denied having ever promised his support or that of the Government, as a party, to the Progressives; deprecated, also, the manner of the resignation and the contradictory statements as to its cause which had appeared in the press. Mr. Hamilton resumed charge of the Department of Agriculture and Mr. Dunning took over that of Municipal Affairs. On Dec. 9th Mr. Maharg wrote a lengthy letter in reply to the above from the Premier, and this, with a brief response from Mr. Martin, was tabled in the Legislature on the 19th with, however, nothing new in either of them.

Administration of the Departments. Mr. Premier Martin had charge of the Railways during most of the year, and his Report for Apr. 30, 1921, gave 1920 statistics showing 2,776 miles of C. P. R. lines, 2,323 of C. N. R. and 1,168 of G. T. P. R. lines in the Province; particulars were given of railways and branch lines guaranteed by the Province with details of mortgages and other securities held; there was little new construction either in 1920 or 1921; reports of the Moose Jaw Electric Railway gave 1920 profits of $20,478, the Regina Municipal Street Railway a deficit of $47,006 and Saskatoon Street Railway a deficit of $50,-

836. Mr. Martin's Report as Minister of Telephones for Apr. 30, 1921, showed 23 new toll offices, 18 new exchanges and the construction of 1,507 wire miles long-distance with extra stringing of 3,997 wire miles. At this date the Government System had 155 toll offices, 6 exchange offices, and 277 toll and exchange; 30,570 stations, 42,627 rural stations (connected), 5,842 long-distance pole miles.

The Rural systems, apart from the Government one, included 1,172 Companies, 53,702 pole miles; there were 42,627 subscribers on systems connected to Government exchanges and 15,638 on those connected to foreign exchanges. Other Systems had 120 pole miles and 2,288 stations. The Deputy-Minister, D. C. McNab, stated that the year's experience revealed a freer use of the Telephone service: "Extension of the System, internally and externally, together with a growing appreciation of the value and advantage of its use, adds yearly to the volume of traffic handled. During the year just ended over 7,000 completed messages per day were handled over our long distance lines. This is an increase in traffic of 1,000 messages per day over the preceding year. With points in Manitoba 300 messages per day were interchanged; with points in Alberta 52 messages per day." In the Rural lines 8,500 miles of poles were erected and 10,000 additional subscribers obtained; 58,265 farmers were served, practically, the whole Province was covered and the subscribers altogether totalled 91,000.

The Minister of Highways had an important work to do and he did it; during most of 1921 the post was held by Hon. S. J. Latta, who had been in charge for nearly 4 years. To the Legislature, early in the year, Mr. Latta presented a very complete report of conditions in this respect.* The preliminary bases were (1) service to the greater number of people; (2) suitable natural conditions; (3) choice of right type of road; (4) plan and nature of construction and preservation of the capital invested. The difficulties were very great in a Province with less than two people to the square mile and the fact of 210,000 miles of roadway: "These roadways are laid out in a checker-board system regardless of the topography of the country, through sloughs, through alkali, without any regard as to whether the roadway will ever be suitable on which to construct a road. Then there is the haphazard settlement of the country and the scarcity of material." In the past year (1920) up to Oct. 27, there were 777 contracts entered into with rural municipalities embracing an expenditure of $415,000. Road maintenance was described as the great problem of the future: "We are doing much in an educative way through the road drag competitions."

At the Halifax meeting of the Canadian Good Roads Association (May 12) Mr. Latta was elected President. For the 1921 season the programme of Highway construction, in which

*NOTE.—*Public Service Monthly*, Regina, March, 1921.



The Hon. John Archibald Maharg, m.p.
Appointed in 1921 Minister of Agriculture for Saskatchewan.



James Cobden Mitchell
of Dahinda, Sask. Twice winner of the World's Prize and Sweepstakes, Chicago International Hay and Grain Show for best Hard Red Spring Wheat.

the Province would receive Federal aid (40 per cent. of cost) was 918 miles, at an estimated cost of $995,000, the average per mile of this work being $1,083. Other work in hand included 130 timber trestle bridges for construction, replacement or repair, at a cost of $120,000; 8 large steel and 8 large concrete bridges in hand to cost $188,500; in the work of constructing or improving main marketting roads 700 contracts were entered into with rural municipalities, aggregating $345,000, and 250 pieces of work were in the hands of Government road gangs at a cost of $200,000; the construction of 9 reservoirs were authorized.

Toward the end of 1921 Hon. C. M. Hamilton was Minister of Highways, and, on Dec. 19, stated in Regina that "of the 30,000 miles of road in Saskatchewan, we have selected some 7,000 miles as a Provincial highway system. How far or how fast we go will depend on how much money we have. Last year we had about 700 miles of this Provincial highway under consideration"; as to maintenance of roads in general, the Government had not determined its policy; it would maintain those under Dominion and Provincial joint construction but, in other cases, they were only assisting the Municipalities. At the close of the year, H. S. Carpenter, Deputy-Minister, stated that, altogether, in 1921, the Department had entered into 959 contracts with rural municipalities, the expenditure being $538,000, and, in addition, had carried on 476 separate pieces of road work costing $357,000; it also assisted rural road maintenance by grants to each of the 300 rural municipalities—the amounts varying according to area, but averaging $500. Under this head the 1921 expenditures were $145,000. For road construction on the Provincial main road system under the Canada Highways Act, the year's expenditure was $534,000, of which the Federal Government paid 40 per cent.

The Report of Hon. A. P. McNab as Minister of Public Works for Apr. 30, 1921, covered an Expenditure of $3,932,089, of which $2,724,521 was on Capital account. The Hospital for the Insane at Battleford cost $461,153, or $1.41 *per capita* per day; the Gaol at Regina $80,735, or $1.66 per prisoner per day; that at Moossomin $13,605 and the Prince Albert institution $91,406, or $2.42 per head per day; the Boys' Detention Home, Regina, cost $36,080 for maintenance. The Department received a report from the Battleford Mental Hospital claiming that Saskatchewan had the smallest percentage of insane in any Canadian Province; it dealt with 209 admissions, male, and 93 female, and 134 paroles during the year; in the Institutional or Gaol farms considerable live-stock were raised and sold. On Dec. 29 a new Mental Hospital was opened at Weyburn by Hon. Mr. McNab, who stated that the building had cost $2,250,000 and that it was, perhaps, the best of its kind in Canada.

Statistics issued by Mr. McNab, in February, showed that since 1905, there had been constructed by the Provincial Government, public buildings to the value of $4,971,623, and that at

this time other public buildings to the value of $2,104,073 were under construction. The administration of estates by this Department showed a total property value of $745,678 in 1921. Of other Departments, that of the Provincial Secretary reported for 1920-21 a total of $1,618,936, in Fees paid, of which $945,-783 came from Motor licenses and $416,648 from Corporation taxes; there were 307 Companies incorporated with a total capital of $95,140,880; 143 Theatres were reported in Provincial operation. Mr. Langley, as Minister of Municipal Affairs during most of the year, was, as usual, energetic in his work with a share in various public matters. His annual Report for 1920-21 stated that:

> The marked depression which set in toward the close of the year 1920 has adversely affected the financial standing of a considerable proportion of Saskatchewan's municipalities. The diminished returns received by the farmer and the business man from the season's operations are reflected in a marked decrease in the percentage of tax collections and a corresponding increase in bank and other indebtedness on the part of many municipalities. Owing to the restriction of credit by the Banks, it has been impossible for the Councils of some of these municipalities to provide the required funds for the School Districts and Telephone companies. In a number of cases it has been necessary for the Government to make loans direct to the School Districts to ensure that the schools would not be closed. x x x The reports received by the Department show an increasing tendency on the part of ratepayers in the different municipalities of the Province to allow their taxes to remain unpaid until their lands are offered for sale under the Arrears of Taxes Act.

During the fiscal year 15 new Municipalities were organized; Seed grain distributions were large and the Government was called upon to guarantee the repayment of Seed Grain Loans carried over from the preceding year in 34 municipalities to a total of $330,237; a total of 5,658,911 acres were assessed under the Wild Lands Tax Act with a total assessed valuation of $75,-010,484; Town planning schemes were reported as approved in 40 Rural municipalities, in 14 hamlets, in 52 villages, in 6 towns and the City of Saskatoon. There were in the Province, on Apr. 30, 1921, seven cities with a total Assessment of $117,820,038, and Debenture Debts of $27,615,010; 78 towns with an Assessment of $54,564,370 and a Debenture Debt of $5,784,150; 341 villages with an Assessment of $49,235,038 and a Debenture Debt of $506,427; 301 Rural municipalities with a total valuation of $875,435,000 and a Debenture Debt of $1,084,161. The School Districts numbered 4,439.

There was wide discussion, not limited to the Province, during the year, as to the financial position of some municipalities. Humbolt was in trouble through an unsuccessful waterworks system; Swift Current, with an Assessment of $5,382,250 and a Debenture Debt of $1,159,827, failed to meet its obligations; Estevan, Prince Albert, Battleford, Melville, Wilkie, Watrous, Scott and Canora had all, in some form or other, defaulted in payments. The Government did not refuse assistance, but it

did refuse to assume any form of responsibility for these defaults; Eastern bond-holders urged action of some kind and did not seem altogether satisfied with the Local Government Board, of which G. A. Bell (Chairman), S. P. Grosch and J. N. Bayne were Commissioners, and which was intended to supervise the municipalities and control their issue of debentures, etc. Hon. Mr. Langley, at Prince Albert, on June 16, told the Union of Saskatchewan Municipalities that there was "an insidious boycott of Saskatchewan securities" amongst bond dealers and investors. To this W. L. McKinnon, of the Canadian Bond Dealers' Association, stated in Toronto, on June 22, that there was nothing of the kind; that "on the average, the financial position of Saskatchewan municipalities is very sound;" that it was, however, time for the Government to help the weak municipalities and re-organize the municipal machinery.

The criticisms offered were that the Province had not properly limited the borrowing power of its municipalities; that some of them had been extravagant and, apparently, indifferent to Interest obligations; that suit against defaulting municipalities for recovery of Interest had proved practically futile; that money collected for Debenture purposes had been diverted to other uses. The matter was widely discussed and the Montreal *Star* (June 23), in a long editorial, urged attention to the subject by all concerned in Provincial well-being. Mr. Langley replied, vigorously, to these statements in the *Leader* of June 23rd, and laid the blame for trouble, in most cases, upon the "'boom" days of 1910-12 and its aftermath; eulogized the work of the Local Government Board and its supervision of affairs; described the charges as made by those who wanted to force the Government to become responsible for unwise investments. Mr. McKinnon replied that (June 24) "while the Local Government Board had, since 1914, supervised capital expenditure of municipalities, and had done much good work thereby, it had made no noticeable attempt to control current expenditure."

At the Ottawa meeting of the Union of Canadian Municipalities, J. N. Bayne of the Local Government Board, Regina, showed that out of 730 municipalities in Saskatchewan less than 12 had defaulted on their Bond interest payment; he did not agree with those who said that the Provincial Government should guarantee municipal bonds or pay them when the municipalities defaulted. The few places involved had made honest efforts to meet the situation; as to investors, by taking money at 3 per cent. from the Banks to invest in 7 per cent. municipal debentures, they clearly recognized some element of risk. The Report of this Board for the year of Dec. 31, 1921, showed $3,810,971 of Debentures sold with $2,431,161 of these purchased within the Province; five towns had asked the Board to look into their affairs and suggest a remedy—only 12 altogether were in trouble; as to new issues of Debentures, the Board had authorized $779,875 for all Municipalities, $1,576,173 for Schools and

$14,256 for Rural telephones, or a total of $3,270,305 and $2,500,000 less than in 1920.

At the Convention of the Rural Municipal Association, Reina, on Mch. 11, these matters were discussed and J. J. Smith, Deputy-Minister of Municipal Affairs, urged economy and retrenchment in municipal expenditure, enforcement of prompt payment of taxes and the creation of a surplus in the municipal treasury. Meanwhile, the Minister had been dealing with the Freight rates question and on Apr. 23 he told the Railway Commission at Regina, on behalf of the Saskatchewan Co-operative Elevator Co. and its 22,000 shareholders, that the recent increase was "excessive and indefensible" with a very injurious effect on farming in the West; later on, Mr. Langley announced the appointment (May 17) by Order-in-Council of a Commission to investigate the incidence of Provincial taxation for Public Revenue purposes as between the urban and rural municipalities, the scale of valuation of lands for purposes of assessment and the inequality in proportionate amounts raised.

The Equalization Commission, as it was called, consisted of George Armstrong, Wild Lands Tax Commissioner, (Chairman); L. A. Thornton, Regina; O. J. Godfrey, Indian Head; R. J. Moffet, Brodwell, and J. J. Lamb, Ogama, representing the Rural Municipalities. Between July 6 and Aug. 19, the Commission visited 17 different points in the Province, the Sessions in most cases lasting 2 days, with a total of 202 witnesses giving evidence; in addition questionnaires as to statistics and the opinions of Councils on the subject matter of the Enquiry were sent out to the chief elected officials of Saskatchewan's 730 municipal institutions with, however, only 367 replies received. The Manitoba and Alberta systems were studied and the Commissioners finally reported (1) that the present Public Revenues Tax did not insure a fair and equitable distribution of taxation amongst the different classes of municipalities; (2) that "if land values were taken as a basis, the system failed because different systems of valuation were adopted and, if ability to pay was the basis, it failed because the rural dweller was paying on a larger proportion than the urban dweller"; (3) that it also failed "on account of the large percentage of business and individuals who paid none or a very small percentage of the Tax"; (4) that " legislation should be enacted creating a Tax Commission as a branch of the Department of Municipal Affairs, consisting of a Chairman who shall devote his whole time to the work of the Commission," with two other members not so tied.

It was stated that such a Commission should (1) exercise general supervision over the administration of the Assessment laws of the Province; (2) act as a Board of Equalization to allot and adjust the contributions of the various municipalities to the Public Revenues tax; (3) confer with and advise municipal officers as to duties and problems arising from Assessment

laws; (4) act as a Court of appeal from courts of revision and study and investigate assessment and taxation in order to formulate and submit plans for Legislative enactments; (5) report annually to the Legislature through the Minister and perform such other duties in this respect as might be required. Various suggestions were made to the Commission, with special value attached to those of Prof. A. B. Clark of Winnipeg and Prof. W. W. Swanson of Saskatoon. Definite proposals were submitted by the Commission and the estimated conditions and results may be summarized in the following table:

Division as to Public Revenues	Valuation Lands Buildings Businesses	1920 Application of Tax	1921 Proposed Application of Tax	1920 Levy of Tax	Proposed Levy of Tax
Rural Municipalities	$953,000,000	86·2	78·0	$1,745,000	$1,589,000
Unorganized Districts	33,800,000	1·5	2·7	30,800	57,500
Cities	134,000,000	8·4	10·9	169,400	221,000
Towns	54,500,000	2·7	4·5	54,000	90,800
Villages	47,700,000	1·2	3·9	25,000	79,500
	$1,223,000,000	100	100	$2,024,200	$2,037,800

Financial affairs and the Reports of the Ministers of Agriculture and Education are dealt with separately; the Bureau of Labour and Industries was an important Administrative body which may be referred to here. Constituted in 1920 with very distinct functions, its chief work was (1) the collection of information upon every subject touching Labour and Industry in the Province; (2) the study of Provincial natural resources and their industrial possibilities and other related matters; (3) the provision of facilities for finding employment and the distribution of male and female labour. Its first annual Report (Apr. 30, 1921) dealt in a general way with Provincial natural resources and industrial capabilities and gave a description of the Expedition which had explored the North Country under Lieut.-Col. A. C. Garner; described existing industries, with the number of factories in the Province as increasing from 208 in 1919 to 322 in 1920, or 50 per cent. increase and giving employment to 3,587 persons in 1920; reported upon the Minimum Wage Board and the subject of Accident prevention; reviewed the work of the Employment Service with 80,522 applications for work and 73,701 placements.

Though not a Government organization, the Canadian Red Cross work in Saskatchewan was increasingly important under the guidance of W. F. Kerr, Provincial Commissioner. It had the support and legislative co-operation of the Government and, in 1921, its Relief work, Emergency Service, Red Cross Outposts, Junior Red Cross organizations, Hospital work in isolated districts, were a great help to the Health Department and the people. In this general connection (Nov. 3rd) a large Deputation asked the Minister of Public Health to assume charge of the establishment and administration of Union Hospitals throughout the Province; 39 of these institutions were represented and the Municipalities were said to want relief from the

responsibility and worry of management. It may be added that the Saskatchewan Medical Association, with Dr. R. L. King of Prince Albert, as President, and the Provincial Pharmaceutical Association with W. J. N. McMullen of Kerrobert presiding, met at Prince Albert on July 7-8 and discussed these and other subjects.

The Liquor question in Saskatchewan was not as troublesome as in some Provinces; at the first of this year about 60 Export liquor warehouses existed in Saskatchewan without either Dominion or Provincial license, though the Provincial Government levied a special tax of $1,000 upon each. With the coming into force on Feb. 1st of the Canada Temperance Act, importation was prohibited except for medicinal, sacramental and mechanical uses, under the terms of the Saskatchewan Temperance Act; and this prevented such warehouses from getting further supplies—though not from exporting what they had in hand. The Temperance Act was administered by a Commission of which R. E. A. Leech was Chairman and, during its first few weeks of operation, into February, 1921, it greatly reduced the sale of liquor by drug stores; in April the Commission reported, with some alarm, that 7 doctors in the Province had averaged over 100 prescriptions per month and 31 between 40 and 100 per month. It evidently had not made comparisons with other Provinces! On Sept. 29 a fine of $2,000 and costs was imposed on the Saskatoon Brewing Co. for selling "real beer" in violation of the Act; on Nov. 3rd Rev. J. N. MacLean, Chief Inspector of Liquor Law Enforcement, announced that, as the result of a conference between members of the Liquor Commission and other Provincial and United States delegates, on Prohibition enforcement, prosecutions would be launched immediately against branches of Saskatchewan liquor firms operating in other points of the Dominion.

Incidents of the year included the appointment, in October, of a Tuberculosis Commission composed of A. B. Cook, Sheriff of Regina, G. R. Ferguson, M.D., Superintendent of the Provincial Sanatorium at Fort Qu'Appelle, and J. F. Cairns of Saskatoon, with full powers of enquiry and suggestion as to public health in this connection; the opening of a Home for the Infirm at Wolseley, progress with a Normal School building at Saskatoon to cost $450,000, and construction of a Provincial gaol at Prince Albert costing $500,000; the election of Murdo Cameron, M.L.A., as President of the Saskatchewan Rural Municipality Association; the Report of F. J. Reynolds, Superintendent of Neglected Children for Saskatchewan, with charge of Mothers' Pensions, that the total pay-roll for the 12 months ending Oct. 1, 1921, was $135,415 with 498 widows and dependent mothers receiving benefits; the statement by A. E. Fisher, Provincial Superintendent of Insurance, that the Hail storms of the autumn of 1921, which wiped out large areas of Saskatchewan's wheat crop, had made this year the most disastrous period in the history of Hail

insurance companies in Western Canada—with a total amount paid to the Companies by farmers of $4,392,574 and money paid back by the Insurance companies for Hail damage of $6,500,000; the appointment of J. C. Martin as Police Magistrate of Weyburn, of John Anderson as acting Deputy-Minister of Municipal Affairs, of Rev. John L. Nicol, Saskatoon, as Director of Temperance and Social Service, of William A. Begg as Director of Town Planning for the Province, of James A. Regan, Regina, as member of the Minimum Wage Board.

Financial Conditions of the Province. The Hon. C. A. Dunning, Provincial Treasurer, did not deliver a Budget speech during the calendar year of 1921; he had done so on Dec. 6, 1920.* The Public Accounts, however, for the fiscal year of Apr. 30, 1921, showed total Receipts (including Loans) of $29,805,784, with a credit balance of $1,908,432 carried over from 1920; Expenditures of $30,243,361 with a deficit of $437,577 and a Balance carried forward of $1,470,855. The chief items in the Receipts were Dominion Subsidy, etc., $3,088,646; proceeds of Wild Lands, Public Revenues and Supplementary Revenue taxation $3,019,573; Succession Duties $324,403, Land Titles' Fees $799,880 and Law Stamps $153,276; Motor Vehicles' license fees $945,783 with Corporation and Railway taxes $523,598; Highways $310,164 and Agriculture $180,064; Proceeds of Loans $11,724,658. The chief Expenditures were on Interest, Sinking Funds and Exchange $1,955,939; Civil government and legislation $750,765; Administration of Justice $1,305,149; Public Works (Income) $1,186,228 and (Capital) $2,724,521; Public Improvements (Income) $1,092,780 and (Capital) $595,992; Education $2,378,935 and Agriculture $800,270; Public Health $459,873 and Neglected Children $187,598; Administration of Farm Loans Act $278,967; Miscellaneaus Capital expenditures $3,157,542 and Capital expenditure on Telephones $2,000,000; Re-payment of Loans $7,088,349; Land Titles Assurance Trust Fund and Supplementary Revenue Fund $702,478.

Taking the ordinary revenue, apart from capital account or loans, the total was $11,789,919, compared with $9,903,885 in 1919-20; similarly the expenditures were $12,088,330 and $8,736,667 respectively. The Liabilities of the Province on Apr. 30, 1921, were $45,928,261 including Debentures of $38,041,922, Farm Loans of $5,535,266 and Treasury Bills $1,450,000. The Assets were estimated at $83,353,138, of which $35,142,220 was stated as owing by the Dominion Government, $13,511,004 as the value of Public Buildings and Lands; $8,096,406 as the cost of Public Improvements; $11,151,975 as the cost of Telephones; $3,045,243 invested in the Saskatchewan Co-operative Elevator Co., Ltd.; $7,236,933 advanced under the Farm Loans Act. There were 2,344,000 acres of unsold School Lands (surveyed), specified as held in Trust by the Dominion and estimated as worth $40,000,000—in addition to the above.

*NOTE.—See *The Canadian Annual Review for* 1920.

A matter which caused the Provincial Treasurer concern, in the first part of the year was the continued default in payments of Interest on Grand Trunk Pacific branch line bonds guaranteed by the Government of Saskatchewan; the Railway Company was unable to meet the payments of May, 1919, November, 1919, May, 1920, November, 1920, and May, 1921; the Dominion Government refused to do so in view of its uncertain status in control of the Railway—though it did meet one payment in November, 1920; the Saskatchewan Government had met the others as they fell due, after vigorous protests, to a total of $862,252. Mr. Dunning claimed (Apr. 20, 1921) that the Dominion Government had admitted its responsibility for these payments and that if it continued "a fast and loose policy" Saskatchewan would have to foreclose, in due course, under terms of its Mortgages and take possession of the Lines. During 1921 the Treasurer sold three Bond issues—each for $3,000,000. The first two were at 6 per cent., 15 years, and the last one, in November, was at 5½ per cent. for 25 years; they commanded a fairly high price. The gross Debt of the Province on Dec. 31, 1921, was $50,124,995; deducting Sinking funds of $1,330,085 and investments carrying themselves, the Net Debt was $23,765,303.

Meanwhile, the Saskatchewan Farm Loans Board—Colin Fraser (Chairman), J. H. Grayson and J. O. Hettle—had been handling an important financial development. It was started in 1917, the plan being to borrow, through the sale of 5 per cent. Debentures to farmers and then to use the funds for re-loaning to other farmers at 6½ per cent.; funds were to be lent on the amortization plan and operations were placed under control of the above Board. In the year ending Dec. 31, 1920, it received 2,885 new applications for Loans totalling $8,506,913 and granted 992 Loans of $2,372,222; the total advances, at this date, were $5,993,008 and collections during the year had been unsatisfactory. In 1921 the applications received were 1,644 for a total of $3,984,508 and 662 Loans were completed for $2,099,586—making the total advances $8,000,000 to Dec. 31, 1921. During 1919-20-21 the Board wrote off $18,000 as uncollectible and advanced $25,784 worth of Seed grain to its borrowers. The following table shows the percentage collected, each year, of the total Interest due, and inclusive of arrears from preceding years:

Year ending—

Dec. 31, 1918—paid 80 per cent. of accrued and payable Interest.
Dec. 31, 1919—paid 58 per cent. of accrued and payable Interest.
Dec. 31, 1920—paid 46 per cent. of accrued and payable Interest.
Dec. 31, 1921—paid 37 per cent. of accrued and payable Interest.

Mr. Dunning was not favourable to any extension of this system to Rural Credits Societies along the lines adopted in Manitoba and Ontario, and to the Grain Growers' Convention of Feb. 2nd he gave his reasons clearly. The Government effort to sell Farm Loan Debentures to farmers, in order to obtain money to lend to others, had not been a success; advertising campaigns

had produced 4 applications for loans to one purchase of a bond and only $600,000 had been obtained altogether. The Farm Loans Board, on Jan. 1st, 1921, had $300,000 in Interest over-due and unpaid. As to any Rural Credit scheme in this Province the Minister pointed out that such a venture would have to depend upon Deposits for its chief source of revenue; in Saskatchewan 75 per cent. of the population was engaged in one industry—farming. That was a seasonable occupation and indicated that all of the borrowers would need accommodation at the same time; Deposits would only be available in bulk at the period when they would be least needed.

The 1921 Meeting of the Legislature. The 1st Session of the 5th Legislature met at the close of the year and a few months after a general election; its business, so far as 1921 was concerned, was, necessarily, inconclusive and, according to essential rule in this work, the results cannot be anticipated. It was opened on Dec. 8 by the Hon. H. W. Newlands, Lieut.-Governor, with the usual Speech from the Throne—after Hon. George A. Scott, member for Ann River, had been re-elected Speaker—and His Honour extended greetings to H. E. the Lord Byng of Vimy, upon appointment as Governor-General, and then expressed regret at certain harvest conditions and the serious reduction in prices; mentioned the appointment and Report of the Equalization Tax Commission and the similar appointment and Report of the Grain Marketting Commission; referred to the Freight rates discussion and recent reduction and the appointment of a Tuberculosis Commission. The Address was moved by P. L. Hyde of Maple Creek and E. R. Ketcheson of Hanley, and passed, after debate, on Dec. 16, without division. The House stood at 60 members, with 44 supporting the Government and 16 the Opposition; the latter were, in the main, elected as Independents while the Progressives soon showed that they were standing with the Government and two doubtful members—W. G. Baker (Lab.) and D. J. Sykes—took seats on the Government side.

There was no Opposition leader, as Donald Maclean, K.C., Conservative leader in the preceding House, had been appointed to the Bench; Harris Turner, the blind veteran and member for Saskatoon, opened the fight on the Address, supported by D. H. MacDonald of South Qu'Appelle—an old-time N. W. T. member. The latter's speech was notable for his claim that when the Subsidy increase from the Dominion was agreed upon in lieu of the Natural resources, it was said by the then Government to be sufficient to avoid the need of ever imposing direct taxation in the Province. Yet only a few years later such imposts had been found necessary with, to date, total levies of over $12,000,000. During this debate, on Dec. 13, Mr. Premier Martin spoke at length; after dealing with freight rates and the Tuberculosis question, he referred to the problem of marketting, as to which the jurisdiction of the House was limited and Provincial legislation, touching trade and commerce, impossible.

He criticized Mr. Maharg as resigning his portfolio "because he could not force me and the whole of the Government into a position where we were to be a cog in the machine of a Federal political party." The Hon. Mr. Latta spoke on the 15th, and stated that in the Federal elections he had supported Mr. Motherwell (Lib.) in Regina and the Progressive candidate in another constituency; the policies were so nearly alike he felt at liberty to follow personal feeling. Many other speeches were made and much was said along this line with expressions of regret that Mr. Maharg had seen fit to retire. The latter spoke on the 16th, and declared that he had resigned because he was convinced that the Premier was not friendly to the Progressive organization and the Council of Agriculture.

During the debate the Opposition members attacked the Government from various individual angles but without organized effort, with Mr. Dunning as the target of considerable criticism by those who hoped to turn the Grain Growers against the Government. He was singled out because of his earlier prominence in management of the Co-operative interests of the Farmers and his present position of leadership amongst them. On the last day of the discussion he made a vigorous and able counter-attack. His conclusion was explicit: "So far as I am concerned, if the people of Saskatchewan decide to judge a man in the public life of this Province on the basis of the attitude he may hold toward Federal questions; if they desire to ignore any services he may have rendered in connection with Provincial matters of public importance; if they are to be influenced by the propaganda being carried on against me, in particular, at the present time along this line, I am content to take their verdict." A number of Bills were introduced, a few were passed, but none received the Royal Assent, before adjournment on Dec. 16th.

Saskatchewan Agriculture in 1921 and Work of the Department; Educational Conditions of the Year.

The crop conditions of Saskatchewan in 1921 were of the best until July, when a two-weeks' hot and dry spell worked much mischief; troubles there were, also, from hail, black and red rust and grasshoppers, with Weeds as the greatest evil; the actual production, despite these difficulties, was away ahead of any year since 1915. The average wheat yield for 1921 was 14·8 bushels per acre, as compared with 11·2 in 1920, and for oats 32·7, as compared with 27·7. All grains showed an increased average yield except rye, which decreased from 14·7 to 12·3. Acreage under wheat showed an increase of approximately 3,500,000 acres, the total being 13,556,000. A remarkable decrease in flaxseed acreage from 1,140,000 acres to 426,000 acres was counterbalanced by a still further increased acreage seeded to rye, which jumped from 172,000 acres in 1920 to 1,208,000 acres in 1921.

The Province maintained its place of productive supremacy in wheat during the year over the 12 leading States of the

American Union; its winter and spring wheat product in 1921 was two-thirds of the total Canadian crop and one-quarter that of the whole United States product; the Provincial figures, which always varied from the Federal statistics, gave a total valuation for all grain and field crops of $225,697,573, compared with the Federal estimate of $215,000,000. Other farm products of the year, and including Butter, Cheese, Furs, Wool, Poultry, etc., were valued at $32,914,436 and the Provincial valuation of all Live-stock in 1921 was $186,326,264, or a total Farm production of $444,937,773 for a population of 757,510 (1921 Census) of whom 75 per cent. were farmers.

The production of Wheat (Provincial figures) was 201,347,483 bushels valued at $151,010,612; Oats 185,966,000 bushels worth $37,193,200; Barley 12,908,736 bushels worth $6,454,368; Flax 3,118,946 bushels worth $4,927,934; Rye 14,861,279 bushels valued at $11,145,959; Potatoes 10,344,000 bushels worth $5,177,000; Fodder Corn 258,700 tons worth $2,198,950; Hay and Clover 445,800 tons valued at $5,215,250. The total reduction in values was not as great in proportion as in some other Provinces; taken separately, the reduction from 1920 was $24,300,000 in Wheat; $20,000,000 in Oats; $5,400,000 in Flaxseed; $3,400,000 in Potatoes; $2,100,000 in Turnips. There was an increase of $8,000,000 in Rye and $2,000,000 in Hay. In Live-stock, also, Saskatchewan had an all-round increase in numbers and a comparatively small decrease in values—though the total, in itself, was considerable. Horses in 1921 (Federal figures) numbered 1,169,278, or an increase of 200,000; Cattle 1,563,332 with a 200,000 increase; Sheep and Swine totalled 620,797 or 140,000 of an increase. In values Horses totalled $95,463,000, Cattle $52,239,000, Sheep and Swine $7,163,000; the loss in values was $16,000,000 for Horses and $17,000,000 for Cattle. Taking all Agricultural productions, the Income figures (Federal) over a 4-year period, showing also the deflation in values, were as follows:

Saskatchewan	1918	1919	1920	1921
Field Crops	$299,362,000	$340,030,000	$271,213,000	$215,635,000
Farm Animals	24,033,000	22,946,000	15,076,000	12,229,000
Wool	546,000	472,000	238,000	135,000
Dairy Products	6,051,000	9,346,000	13,516,000	13,516,000
Fruits and Vegetables	1,400,000	1,400,000	1,400,000	1,400,000
Poultry and Eggs	7,840,000	7,840,000	8,820,000	10,780,000
Fur Farming			 78,000	27,000
Totals	$339,232,000	$382,034,000	$310,341,000	$253,722,000

The total value (Provincial statistics) of farm products exported from Saskatchewan in the calendar year 1921 was $173,461,060, compared with $251,974,528 in 1920. An important matter in Provincial development was Immigration, and the total arrivals in the fiscal year 1920-21, as given in the valuable annual Report of Edward Oliver, Provincial Secretary of Statistics, were 7,335 as against 14,287 in 1919-20 and comparing with an average of 42,000 in the three last pre-war years; Homestead entries in 1921 were 2,729 compared with 1,726 in 1920 and 14,524 in 1913. The year, as a whole, had been a most trying one and the Department of Agriculture had varied difficulties to

handle. It started with Hon. C. M. Hamilton as Minister and, after the interval of some months under Mr. Maharg, concluded with the same Minister in charge. F. H. Auld was Deputy Minister and on Apr. 12 spoke at a Saskatoon Conference as to this Department's work, at some length, and summarized, especially, the activities of the seven main Branches—Live-stock, Field Crops, Dairy, Statistics, Co-operation and Markets, Secretary's work, Motion Picture Bureau of Publicity—and the outside work of the College of Agriculture.

The Co-operative idea continued to dominate the policy of the Department and it certainly had proved successful in Dairy production, in Live-stock growth, in the development of Societies, and in the treatment of the grasshopper plague. The number of shareholders in Co-operative organizations at the beginning of 1921 totalled 18,894; the paid-up capital invested had increased from $362.251 to $466,009; 54 Associations marketting Live-stock shipped 912 cars of which the receipts amounted to $1,429,309; the total value of supplies, sold, were $5,885,385 and the aggregate turnover of the Associations, including Live-stock, increased from $6,189,591 to $7,314,695. The work of the Saskatchewan Co-operative Creameries, Ltd., was very valuable in this connection and its Report for 1920 showed the operation of cold storage plants at Regina, Saskatoon, Vonda, North Battleford, and Melfort, with new plants also under construction at Melville, Weyburn and Yorkton and the storage warehouses full to capacity during the greater part of the year.

There were 48 Creameries in operation in the Province with 23 of the plants controlled by the Company. Aid given to Agriculture had increased steadily with $330,000 as the 1917-18 total and $473,500 as that of 1920-21. Conditions were calculated to develop such results as were shown at the International Soil Products Exposition and Live Stock Show at Chicago—the largest of the kind on the Continent—when in 1921 Saskatchewan exhibits captured 36 Championships and prizes. Mr. Maharg, on June 23, at Estevan, referred to this: "Eight times in the past 9 years Saskatchewan farmers have won the World's Prize for the best wheat." The chief honours in this respect were won by James Cobden Mitchell, of the Excelsior Farm, Dahinda, who, in December, 1920, won the World's Prize and sweepstakes for the best spring wheat at the Soil Products Exposition at Chicago, repeating his victory of 1919, when he had also won the World's Sweepstakes at the same place. Mr. Mitchell was an Englishman of a family prominent in the public life of Manchester and Mossley; these successes came from a first effort in International competition and he used Marquis Wheat—one of his exhibits scoring 98 5-8 points out of a possible 100. In December, 1921, he lost a 3rd championship by a very narrow margin; T. S. McGrath of Birch Hills, however, won the Championship in Butter for Canada and the United States.

There was much trouble, again, during this year with grasshoppers, which cut into various new areas during June and caused considerable damage; M. P. Tullis of the Department of Agriculture, was in charge of the fight with enormous quantities of poison and other necessaries available; altogether the Department bought and distributed during the period of danger, 3,024 tons of Bran, 100 carloads of sawdust, 361,233 pounds of arsenic, 10,100 pounds of paris green; 92,360 gallons of molasses; 895 barrels of salt, and 998 gallons of amyl-acetate; dozens of men from the Department were engaged in fighting the pest wherever needed and more were sent as required; railways and municipalities co-operated, as well as individuals, and the use of the amyl-acetate, in place of lemons, facilitated the handling of supplies to an appreciable extent with two gallons of the former taking the place of five crates of lemons.

An important incident of the year was the Conference at Saskatchewan University, on Apr. 12-14, between Federal and Provincial Agricultural officials, representatives of Farmers' organizations, Banking interests, Implement manufacturers, Women workers and Railways. It was called by Hon. C. M. Hamilton, Minister of Agriculture, and the leading agricultural men of Saskatchewan, attended, with Hon. W. R. Motherwell, formerly Minister of Agriculture, presiding. The speakers covered a great variety of subjects with a fund of expert knowledge expressed as to many and varied sides of Agricultural development. Mr. Hamilton, in closing the Conference, declared that sooner or later the difficulties of soil blowing, short crops, better live-stock and so forth would be solved with resultant prosperity to the population of Saskatchewan as a whole. Amongst other subjects discussed were Crop improvement work, soil survey, horticultural development, protection of crops from diseases, insects, noxious animals and noxious plants, agricultural extension methods, and the work of various organizations.

Other incidents of the year included the successful trip of the C. P. R. Inter-Provincial train of six cars which toured Saskatchewan in February for the purpose of instruction in Weed control or destruction; the statement of A. E. Fisher, Superintendent of Insurance, that Hail losses of the year ran from 18 to 25 millions with a revision of rates necessary and new Companies coming into the field; the Convention of Live-stock men at Moose Jaw (Jan. 25) with Swanton Haggerty of Belle Plain elected President; a Saskatchewan Better Farming train composed of 13 lecture and demonstration cars and including live-stock, field husbandry, household service, farm machinery, poultry and a boys and girls' section, in charge of F. H. Auld, Deputy Minister of Agriculture, which was run in June over the C. N. R. lines in Central Saskatchewan.

On June 8 there was announced the sale of the Swift Current Mennonite reserve, containing 107,000 acres of the best agricultural lands in Saskatchewan, to Florida capitalists headed by James J. Logan, Jacksonville, for a total of $4,800,000 with the first cash payment deposited by the purchasers. There was

a contract under which the vendors were to leave their farms, with personal belongings only, and all chattels, farm machinery, houses, churches, schools, etc., to become the property of the purchasers—including 400 complete sets of buildings; 50,000 acres in crop; 80,000 acres under cultivation. Litigation, however developed. A section of the Mennonites believed that an attempt was under way to improperly wrest from them the title to their lands; action was started at Swift Current by solicitors for the Mennonites and an injunction obtained in Court restraining the Saskatchewan Mortgage and Trust Co., which held the documents in trust, from completing the transfer. The injunction was continued on June 16 and the case came up for trial in October before Mr. Justice H. Y. Macdonald at Regina. The issue was not determined at the close of the year and, meanwhile, the proposed exodus of Mennonites was held up.

Other matters included the violent hailstorm in Southern Saskatchewan on June 28 which did severe damage to the crops; the heavy rains which, on Sept. 9-10, suspended harvesting and threshing operations all over Saskatchewan, with wintry weather and snow in several areas; the sale in August of a farm of 1,120 acres, in the Gull Lake district, for the sum of $84,000; the official statement on Aug. 24 that up to date 23,951 Harvest hands had been imported into the Province with 19,151 of these from Eastern Canada and 5,800 from British Columbia; the Better Farming Conference held at Estevan on June 22-23, and representative of the Agricultural interests of South-eastern Saskatchewan.

The Wheat Marketting and Better Farming Commissions. On Mch. 19, 1921, Mr. Premier Martin addressed a letter to James Stewart of Winnipeg, late Chairman of the Canadian Wheat Board, and F. W. Riddell, Regina, General Manager of the Co-operative Elevator Co., Ltd., describing certain questions upon which the Government desired information and to which the first was the key: "Is it possible for any kind of pool comprising less than the whole of the Western wheat crop to market the crop to the same advantage from the producers' point of view as a system of national marketting of the whole crop by a Canadian Wheat Board?" The other questions turned upon this and the 6th one, which asked: "Would it be wise, from the producers' point of view, to embark on a full-scale system of long-term contract pooling at once or to conduct instead one or more large-scale experiments of a voluntary character?" Mr. Martin requested a Report upon this subject, generally, of (1) an educational character for the public and (2) to show if the Provincial Government could properly help in the marketting of grain.

The Report was made public in May and began with a Review of the existing marketting system for wheat in the West, and the place of the Canada Grain Act, the Winnipeg Grain Exchange and Country and Terminal Elevators in the system; prices and the position of the Farmer, the problems of Financing,

Markets, Transportation, Selling and Freights were discussed; five forms of Pools were described and the difference between contract and voluntary systems. The advantages of a Pooling system were stated to be (1) a more even spread of the crop movement over the whole crop year with avoidance of gluts of grain and consequent depression in prices; (2) a stabilizing of prices to the consumer as well as to the producer; (3) the avoidance of fluctuations in price through spreading delivery of the Wheat crop more evenly over an entire 12 months instead of crowding it into a three months' perioid.

The Commissioners were not prepared to recommend producers entering into long-term pooling contracts; they emphasized the need of careful management in any system chosen with experience in the grain trade and close knowledge of crop conditions; they did not think the financial difficulty of establishing a long-term contract pool insurmountable but "occasions would arise, when, in the opinion of the management of the Pool, it would be advisable to withhold from the market considerable quantities of wheat, in whch event a large amount of money would be involved, necessitating special financial arrangements"; the success of the scheme would then depend upon the Banks, as curtailment might mean the difference between success and failure; they considered the safe procedure, if it were decided to adopt a pooling system, to be "an experiment of a voluntary character in preference to embarking on a full scale system of long-term contracts." Taking the issue as a whole, the Commissioners were not very favourable—the best form of a centralized wheat marketting agency would be a National organization. They did make the following guarded suggestion:

> If a sufficiently widespread demand on the part of the farmers of the Province for voluntary pooling on a large scale existed, and providing the Government was desirous of acceding to that demand, the form of organization which we would suggest for such experiment would be one specially created for the purpose and so constituted and conducted that it would be directly responsible to the farmers patronizing it.

The Royal Commission of Enquiry into Farming Conditions appointed by the Martin Government as the result of Resolutions by the Better Farming Conference of July 6-8, 1920, reported to the Government early in 1921. The Commissioners were Dean W. J. Rutherford of the College of Agriculture, (Chairman); President John Bracken, of the Manitoba College of Agriculture; H. O. Powell, Manager of the Weyburn Security Bank; Neil McTaggart, farmer, of Gulf Lake; George Spence, M.L.A. for Notuken; F. H. Auld, Deputy Minister of Agriculture, Secretary. The Report opened with a history of the early development of south-western Saskatchewan and the reasons for the investigation; the fact that development of grain-growing in this portion of the Province was not much expected or encouraged and that, 15 years ago, this area was generally believed to

be useful only for stock-raising; the flocking in of settlers and increase of population from 17,692 in 1901 to 178,200 in 1916.

The system, advised by the Commission, for South-western Saskatchewan was one of farming of a diversified character with practical suggestions as to fodder and feed crops, pasture crops, permanent pastures, fallow or fallow substitutes, grain crops, the soil and garden and a policy summarized in one paragraph as: "The only safe plan is to farm for a dry year and hope for a wet one." General recommendations were (1) that settlers in the southwest portion of the Province who wished to leave present locations should be given the opportunity to transfer their holdings to the Crown and enter for a homestead north of the main line of the C. N .R. from Kamsack to Lloydminster; (2) that a soil survey of the Province should be made, beginning with the Southwest district and the establishment of sub-stations of the College of Agriculture, beginning in the same area, and to be located with due reference to climatic and soil conditions at convenient centres; (3) co-operative experiments with farmers and appointment of a staff of Agricultural representatives trained in the science and practice of agriculture —one for every four rural municipalities.

Associated with these general conditions were the Census returns of 1921 showing an increase of population in the decade from 492,432 to 757,510; the 1920 Vital Statistics, showing 22,730 births registered, 5,328 marriages and 6,633 deaths—the average number of children to a family being a fraction over 3; the Provincial Bureau of Labour report as to the coal resources of the Saskatchewan Valley with its 7,218 square miles estimated to contain 33,908,700 tons; the Mineral production of the Province in 1921, stated at 1,086,610, or a decrease in the year of $750,858; the issue, on Oct. 15, of Minimum Wage Board Orders as to (1) Shops and Stores, (2) Laundries and Factories, (3) Mail Order Houses and (4) Hotels and Restaurants; the statement by the Dominion Water-Powers Branch that there was 1,312,000 horse-power in Northern Saskatchewan; the sending by Hon. Mr. Dunning, under the Labour and Industries Department, of an Exploration party into Northern Saskatchewan commanded by Lieut.-Col. A. C. Garner, D.S.O. The Report finally submitted showed a wide variety of clays and shales, limestone, granite and sandstone for building purposes, small amounts of garnet sand, glass sand, builders' sand, large tracts of bog-iron ore, numerous deposits of yellow ochre and other paint materials, and several springs of Mineral water, fish and fur-bearing animals were plentiful.

Educational Conditions in Saskatchewan. The latest available Report as to Education included the figures of 1920 submitted to the Legislature by Hon. W. M. Martin, Minister, under date of Mch. 1st, 1921. In this statement A. H. Ball, Deputy Minister, first dealt with the recent increase in grants for Elementary education and then stated the number of School districts on January 1st, 1920, as 4,286 and on Dec. 31, 4,399; con-

solidation of Schools was effected in a large number of places and the expenditure on School sites and buildings was reported as $2,099,350 and for Teachers' salaries $5,940,868—an increase in the latter case of $1,127,868; the total expenditure for all Educational purposes was $14,207,637 compared with $11,433,258 in 1919; the number of free Readers distributed in the year totalled 131,215.

The number of certificates issued in 1920 was 2,843, as compared with 3,286 in 1919, or a decrease of 443 and the number of provisionally certificated teachers in 1920 was 755 as compared with 539 in 1919, or an increase of 216: "The supply of teachers and the movement of teachers from one Province to another depends largely upon the salaries paid and it would appear that Saskatchewan salaries must advance before an adequate supply of trained teachers can be maintained. An unusual movement was noted in 1920 in the return of teachers, particularly male teachers, to the Eastern Provinces. High Schools of the East, particularly, are paying better salaries." In 1920 there was a continued scale of increases in salaries. First Class male teachers rose from $1,634 in 1919 to $1,881, and female teachers from $1,132 to $1,352 and so on, with increases through all the grades. The number of certificates issued to teachers trained in Saskatchewan was 1,272 as compared with 1,992 for the previous year; during the year 809 teachers were placed by the Teachers' Exchange, and of this number 481 teachers were located in English districts, 54 in German districts, 2 in French districts, 70 in Ruthenian districts, 13 in Scandinavian districts and 189 in mixed districts.

The percentage of attendance in all Schools, by enrollment, was 61·38. Much attention was devoted to School exhibitions, School agricultural instruction with Boys and Girls Associations, Home economics and School hygiene; the Cadet organizations had 4,665 members or an increase of 1,500 in the year. The number of pupils enrolled was 169,008 and the average daily attendance 103,745; the number of Teachers was 6,809 of whom 5,332 were females. Official figures for 1921 are not available. Reports indicate that 100 new School Districts were organized and three consolidated school districts. The School Attendance Act was rigidly enforced and this resulted in a marked improvement in the grade of children as compared to their age. A larger percentage of pupils passed their examinations in 1921 and many made better progress because of more regular attendance—especially in the rural districts. New legislation which came into effect at the beginning of the year and gave $4.50 per day, per room, in each school, where work above Grade VII. was carried on and an average attendance of 15 maintained, resulted in making it possible for such a room to earn a grant of $900 per annum; there were 100 schools where this amount was earned.

There was a marked increase in the numbers of High School pupils passing examinations in 1921. The School Hy-

giene Department had a record in the year of 35,839 school children medically inspected by the school nurses; during the year there were 930 teachers trained in the Normal Schools of the Province. Incidents of the year included a statement by Hon. Mr. Martin that there were 231 teachers' residences in the Province supplied at Provincial expense; the appointment of Dr. J. A. Snell as Superintendent of the Public Schools in Saskatoon and H. H. Smith as Principal of the Victoria High School in that City; the announcement in September that the Masonic lodges of the Province, with the sanction of the Masonic Grand Lodge had offered 50 scholarships of $300 each to assist prospective teachers holding, at least, 2nd class diplomas valid in Saskatchewan in order to complete their professional training at the Provincial Normal Schools.

The controversy of years between the 11,000 Mennonites of the Province and the Department of Education regarding English as the language of education, culminated in 1921, in attempted arrangements for a trek to Mexico or the Southern States and the departure in December of a first party of 115 on their way to Alabama; there was a strike of school teachers at Moose Jaw in April—backed by the Teachers' Alliance with settlement by arbitration; a summarized statement of annual reports from the School Inspectors of the Province, in November, 1921, showed that many new schools had been opened, that the new buildings under erection were of the best type, that many of the old school-houses had been put into satisfactory condition, and that school trustees and the public were taking greater interest in the welfare of the schools; a remark of Hon. S. J. Latta, the new Minister of Education, at Kindersley, on Sept. 22, reported that schools where all the pupils were in regular attendance numbered 300 in July, 1920, and 454 in July, 1921.

The chief Educational organization in Saskatchewan at this time was the Provincial School Trustees' Association, and its annual Convention was an event of the year. On Feb. 24-26 the 6th annual meeting was held at Saskatoon with James F. Bryant, M.A., LL.B., in the chair. Following addresses of welcome from Mayor A. M. Young, President W. C. Murray of the University, and Lieut.-Col. T. E. Perrett, President of the Saskatchewan Educational Association, Mr Bryant delivered a notable address upon public responsibility for Education: "The school, more than all other agencies, can form national character, create a permanent national opinion, and establish lines for it to follow with steadiness and continuity. Patriotic and civic service, therefore, should be a prominent feature of our Public School education. We should pay more attention to the study of the history of our country. We should endeavour to create in the pupils of our schools, and to emphasize and establish as a national characteristic, a spirit of thoroughness, steadiness and moderation and, above all, a love for honesty, truthfulness and fair-play, coupled with obedience to the constituted authority, parental or otherwise, and respect and courtesy to all."

Space will not permit of summarizing the important speeches which marked the Convention as a serious Educational event. Dr. George M. Weir spoke on Social Aspects of Adolescent Education; J. H. Currie of Vonda, on the Public School; Hon. N. W. Rowell, K.C., of Toronto, on the League of Nations; Dr. J. T. M. Anderson on Canadianization Work amongst Foreign Settlers; William Iverach and T. A. Neolin, M.A., on the Municipal School Unit; Hon. W. M. Martin, K.C., and Hon. G. P. Smith, Minister of Education in Alberta, on Educational Conditions; Dr. H. M. Tory, President of the University of Alberta, on University work. An immense number of Resolutions were passed and may be summarized as follows:

1. Urging the extension of night schools to all non-English districts so that new Canadians should have a better chance for obtaining knowledge.
2. Declaring the increase in Juvenile crime to be largely due to Moving Pictures and demanding a more rigid censorship.
3. Re-affirming the conviction that the English language should be the only language of instruction in the Schools of Saskatchewan and asking legislation to make it compulsory for all School Trustees to read and write the English language.
4. Approving the growing development of Empire Day celebrations and urging that all schools participate with centralized meetings where necessary.
5. Suggesting a thorough, comprehensive, and compulsory plan of physical training for all schools.
6. Urging Provincial establishment of an institution for sub-normal children.
7. Endorsing the establishment of a National Bureau of Education and urging all Teachers to impress upon the children the necessity of politeness and courtesy.
8. Urging the purchase by all School Boards of Canadian and other British-made school furnishings, supplies and apparatus.
9. Asking for Provincial legislation to enable School Districts to organize Municipal administration.
10. Requesting a Referendum at the next Provincial election upon the abolition of the Separate School system in Saskatchewan and the repeal of the Bi-lingual clause in the School Act, which provides for the use of the French language in the primary schools.
11. Asking the Provincial Legislature to make "all the assessable property in any school district at the time of the issue of any Debenture liable for all rates necessary for the re-payment of that Debenture."
12. Requesting the abolition of Separate Schools.
13. Endorsing the establishment of a Thrift organization in each School.
14. Declaring that "no sectarian religious emblems be displayed in public schools at any time, and that no person be allowed to wear the distinctive dress of any church while acting as a public school teacher."
15. Asking more adequate remuneration for small rural schools.
16. Urging the Department of Education to have the Act so amended that each child will be compelled to remain in school until the age of 14 years, and as much longer as is necessary, up to the age of 16 years.
17. Endorsing energetic action to promote Boy Scout organization.
18. Proposing a non-contributory scheme of Government pensions for Teachers with a small Levy on the School districts.
19. Demanding cancellation of certificates for teachers arbitrarily breaking the terms of this engagement.

20. Asking for legislation to enable P. S. Districts to join together for the purpose of forming a Union High School District.

The officers chosen for 1921-22 included A. J. Sparling, Hon. President, J. H. Holmes, Hon. Vice-President, and J. F. Bryant re-elected as President; W. F. Goulden, Ebenezer, was elected 1st Vice-President and Joseph Needham, Unity, 2nd Vice-President. The Secondary Education Section elected G. F. Blair, K.C., Regina, as President. The Saskatchewan Teachers' Alliance met in Regina on Mch. 29-30 and passed a Resolution denouncing the terms of an address by Mr. Bryant before the Saskatchewan Educational Association in which he had criticized the action of the Teachers in organizing the Alliance as a second body when one was sufficient. Lieut.-Col. T. E. Perrett and Mr. Bryant, on the following day, spoke at the Convention banquet and the former declared himself in favour of teachers organizing and of better salaries: "If, however, the agitation for increased salaries is going to impede the progress of the children then you are wrong, for the education of the child is your first consideration." Mr. Bryant defended his views and A. H. Ball, of the Education Department, spoke. A. M. Bothwell of Regina was the new President of the Alliance, and Dr. R. A. Wilson, Saskatoon, was elected President of the S. E. A.

The University of Saskatchewan: This Provincial Institution, for the academic year 1920-21, had an enrollment of 897 students in regular courses, with 239 in evening classes and teacher's courses, or a total of 1,136; when compared with the registrataion of 70, in 1909-10, this showed a remarkable increase. Of the 1921 students 100 received degrees in Arts, Science, Agriculture, Law and Engineering, and, in addition, certificates in Pharmacy, Household Science and Agriculture were granted to 54 others. Numerous changes took place in the life of the University. W. J. Bell and A. F. Angus resigned from the Board of Governors during the year; P. E. Mackenzie, K.C. was appointed a Governor, and on Nov. 23, 1921, Levi Thomson of Wolseley was re-appointed and Hon. Mr. Justice McKay added to the Board. The University suffered the loss of Prof. John Bracken, B.S.A., who resigned to accept the Presidency of Manitoba Agricultural College and of Professors W. H. J. Tisdale, J. M. Smith, and J.S. Dexter.

The following were the more important appointments to University Chairs during the year: A. E. Cameron, D.SC., Zoology; S. Basterfield, B.SC., Chemistry; C. E. Muller, B.A., B.SC., French; M. Champlain, M.S., Field Husbandry; L. M. Winters, M.S., Animal Husbandry; G. M. Williams, B.S., C.E., Civil Engineering; E. L. Harrington, PH.D., Physics; W. D. Thomas, M.A., English; A. E. Potts, B.SC., Dairying; W. S. Lindsay, M.B., Bacteriology; Roy Hanson, M.S., Soils; J. T. Herbert, M.A., LL.B., Law; A. G. MacGougan, B.A., PH.D., Physics. In the Department of Agriculture this University had developed specially wide interests and the Report of the President, for 1920-21, stated in this connection that: "It has become to a greater degree than ever before, the scientific arm of the Province. It has been called upon to assist in solving serious problems which threaten the very existence of Agriculture in Southwestern Saskatchewan. Our scientists are to engage in a study of conditions; in a soil survey; in plant breeding; in the cultivation of more suitable crops; the prevention of disease; the eradication of weeds and the control of insects. Equally important tasks are being undertaken for the improvement of livestock and poultry and for development in dairying."

The Extension Department, also, was rendering much service to the scattered population of the rural districts, and either conducted, or supervised, the following activities: Summer Exhibitions, 140; Ploughing Matches, 34; Standing Crop Competitions, 32; Summerfallow Competitions, 9; Seed Drilling Competitions, 4; Spring Stallion Shows, 6; Co-operative Live Stock Sales, 21; Calf and Colt Shows, 3; Poultry Show, 26; Seed Fairs, 44. In the winter months 45 Agricultural Short Courses, lasting two or three days, were held at country points, reaching a total of 4,546 persons or an average of over 100 people at each place of meeting. Three Agricultural Engineering Short Courses were also held at the College of Agriculture, each of three weeks' duration, with a total enrollment of 105, and, besides these, 6 two-week courses dealing with the same subjects were held at different centres in the country, where 156 students attended. Other work of this department included a 3-weeks' Poultry course; instruction in stock judging at the Regina and Saskatoon exhibitions to 1,000 boys; supervision of competitions at the Regina and Saskatoon Farm Boys' Camps with 420 entries; the conduct of the Provincial Seed Fair.

The investigations of the Engineering Department were very important and included reports on the best type of House-Construction so as to conserve heat; it issued Bulletins and plans of Farm Buildings and investigated economical methods of fuel consumption as well as problems relating to Gas Tractors and Farm Machinery. A serioius problem in the West, particularly where alkali waters saturated the soil was the rapid deterioration of concrete structures and it had been the cause of much interest and concern. The Engineering Institute of Canada appointed a Committee of Engineers of which Prof. C. J. Mackenzie of the University was Chairman and the Research Council of Canada voted $5,000 for this work—much of which had already been done at the University laboratories. The possible utilization of the vast clay resources in the Province resulted in the appointment of Prof. W. G. Worcester of Ohio State University, as Professor of Ceramic Engineering to work in co-operation with the Bureau of Industries for any possible development in the matter.

Other incidents of the year included the practical completion of the Physics Building at a cost of $400,000; the completion of new Greenhouses and a building for Biological and Pathological Laboratories; the assumption by the University of Bacteriological and Pathological work for the Hospitals in the City of Saskatoon and for the Bureau of Health in the northern part of the Province; the establishment of a Department of Horticulture at the College of Agriculture with C. F. Patterson, PH.D., M.S., as Professor in charge; the handing over to the University of a valuable collection of insects and plants of Western Canada, by Mrs. T. N. Willing, which her husband, the late Professor Willing, had made, to be known as the "Professor Willing Memorial Collection"; the donation from the War Trophies Committee of 3 Aeroplanes and 4 Machine Guns; an offer of $12,000 from the Khaki University and Y.M.C.A., through President H. M. Tory, to be known as the Khaki University and Y.M.C.A. Memorial Scholarship Fund and to be used as scholarships or temporary loans in order to assist Returned men or their sons or daughters, through any University Course; the organization of a Branch of the C.O.T.C. with an establishment of 175 men under Major Potte, Officer Commanding. It might here be mentioned that, between 1919-21, the University assisted in giving Vocational Courses to over 700 disabled Soldiers and granted to Returned men, numbering 175 in 1919-20, and 152 in 1920-21, exemption from fees, totalling over $10,000 for two years.

There was, also, the appointment of Dr. E. H. Oliver, of the Presbyterian Theological College. Saskatoon, and Prof. W. P. Thompson, of the University as Fellows of the Royal Society of Canada; the celebration of the 10th anniversary of the opening of Regina College at a banquet on June 11, 1921; the inauguration of a drive for $350,000 to pay off the

debt on the St. Joseph's Ukrainian College at Yorkton, and to further develop the academic work of the College—with fair returns; the resignation of Rev. G. F. Trench as Principal of Emmanuel College, (Anglican) Saskatoon and the appointment of Rev. L. H. C. Hopkins, M.A., B.D., as Acting-Principal. with the award of an Hon. degree of D.D. to the Ven. A. D. A. Dewdney, B.A., Bishop of Keewatin.

The Saskatchewan Grain Growers' Association. This Association was one of the most important social and political influences in Western Canada; its 20th annual Convention was held at Moose Jaw, on Feb. 1-4, 1921, with 1,600 delegates in attendance from all parts of the Province. Many subjects, dealing with National and Agrarian interests, were discussed, but the Convention was chiefly notable for two outstanding questions, the Wheat Pool proposals and the Farmers' attitude toward Provincial politics. Other incidents were the unveiling of a Roll of Honour in memory of the 559 members of the Association who fell in the Great War, and the formal recognition of Hon. T. A. Crerar as the Federal political leader of the Agrarian organizations in Canada.

President J. A. Maharg, M.P., in his annual address, deplored the discontinuance of the Wheat Board and claimed that this had been largely responsible for the poor financial returns to the farmer during the year 1920 and, therefore, he urged the necessity of a Co-operative marketting system for grain; he wanted a more elastic loaning policy, on the part of the Banks towards Farmers, and claimed that the banking attitude, in furnishing only a seasonal credit, was one which would, if persisted in, compel the extension of the Rural Credit scheme to Saskatchewan; he also dealt with the reduction of Freight Rates and the meeting of certain propaganda (industrial) which had been attacking the United Farmers and their policies. The Executive Report, presented by Secretary J. B. Musselman, dealt with 9 meetings held by that body in the past year and stated that it had been represented at all the meetings of the Council of Agriculture, at sessions of the Canada Grain Commission, the Tariff Commission, and other public bodies. Included in this Report was a statement of the Trading Department of the Association, which showed a net Profit of $14,486 on all transactions for the year of Dec. 30, 1920, with Expenditures of $47,913, and Revenues of $62,399. The Hon. George Langley, at request of the Convention, opened a discussion on wheat marketting (Feb. 3rd) and in his address covered a wide range. Hon. C. A. Dunning, H. W. Wood, of Alberta, and C. Rice-Jones also spoke on the subject.

The debate on Provincial political action extended over portions of two days, with some heated interchanges, and is dealt with in a precednig Section. Some excitement arose over a Resolution condemning the increase in Elevator charges during 1920, and citing the annual financial statement of the Co-operative Elevator Co., as a specific example. James Robinson, its Managing Director, gave figures showing the revenue derived by that Company from special binned grain, together with the cost of handling it for each year since organization. In only one year was the Company able to break even on this class of business, and in the past year they had suffered a loss of 2¾ cents a bushel on all binned grain handled, and these losses had to be made up from other departments of the business. The result was that the spread on street grain was higher than it would otherwise have been. Finally the Resolution was defeated by a large majority and a motion in favour of the increase was adopted in its place. The following were the more important Resolutions passed:

1. Supporting the appeal of the Stock Growers' Association that a duty be not re-imposed on Canadian import of cattle as long as the U.S.A. admitted Canadian cattle free of duty, and urging the Dominion Government to continue its efforts to secure removal of the Embargo on Canadian live cattle entering the British Isles.

2. Pressing on the Federal Government the necessity of completing the Hudson Bay Railway.

3. Requesting that the two vacancies from Saskatchewan in the Senate be filled by residents of Northern Saskatchewan.

4. Pledging support to papers supporting the New National Policy and to the manufacturers advertising in such journals.

5. Recommending the official publication, annually, of the value of all overages received by the Federal Government under arrangements whereby all Terminal elevator overages over one-quarter of one per cent. were appropriated by the Government; also that moneys so obtained should be used to help defray the cost of Inspection and Weighing which had increased by 100 per cent.

6. Favouring the publication of Association literature in as many different languages as the Executive considered advisable.

7. Approving the decision of the Board of Directors to add nothing to the Association's demands upon the Provincial Government and placing any further political action in the hands of the Convention.

8. Expressing regret at the failure of the Federal Government to re-appoint the Canada Wheat Board, commending the Council of Agriculture for its efforts in that respect, with an appreciation of the work done by the Board.

9. Expressing gratification at the results of the Referendum on importation of intoxicating liquor into Saskatchewan; appreciation of the Federal Government's action in this connection; commendation of the endeavours of the Provincial Government to enforce the Liquor law; concurrence in the creation of the Liquor Commission with wide powers and pleasure in the appointment to that Commission of Allan G. Hawkes of the S.G.G.A.; pledging sympathetic support to all proper efforts to enforce the Saskatchewan Liquor Act.

10. Urging the Provincial Government to amend the law so that execution should automatically lapse unless the property of an execution debtor, against whom the execution was taken, was specified within 30 days from the date of registration and, also, that provision be made that notice of action be mailed to each party with a registered interest in such property.

The officers for 1921-22, as elected, were J. A. Maharg, M.P., President; A. G. Hawkes, Vice-President; J. B. Musselman, T. M. Morgan, Thomas Sales, John Evans and H. C. Fleming, Directors. The Hon. T. A. Crerar, M.P., H. W. Wood, President of the U.F.A., and Norman P. Lambert, of the Council of Agriculture, addressed the Convention and, at the conclusion of Mr. Crerar's speech, W. J. Orchard, President of the New National Policy Political Association, moved, with unanimous approval, endorsation of the action of the Council of Agriculture and of the Provincial Committee in recognizing Mr. Crerar as Dominion leader of the movement; an outstanding speech was that by Hon. Mr. Dunning, Provincial Treasurer, on Farm Loans, Rural Credits and Banking Problems, which is referred to elsewhere. He remarked that the Banking Act of Canada would come up for revision in 1923 and the Farmers' Party Government, would have a splendid chance to cut their eye teeth on it.

Other incidents of the year were the entry of J. A. Maharg into the Provincial Cabinet and his subsequent retirement; the announcement, in September, by the United Grain Growers, Ltd., of their readiness to ship live-stock to Great Britain on a Co-operative Pool basis; the defence of the system of handling wheat through properly administered Grain Exchanges, by J. B. Musselman; the annual Convention of the Saskatchewan Co-operative Elevator Co., at Regina, on Nov. 23. This meeting was attended by over 300 delegates, with Mr. Langley in the chair. The Directors' Report showed a net profit for the year of $279,413; 15 new Locals added, bringing the total number to 339; a total number of shares issued up to July 31, 1921, of 69,326 held by 21,535 persons; 12 new

elevators built and a total of 26,195,943 bushels of grain handled through the 320 Elevators in operation, together with 1,794,494 bushels over the platforms, or a total of 27,990,437 bushels.

The Woman's Section, S. G. G. A., held its 7th annual Convention concurrently with the S. G. G. A. at Moose Jaw, during Feb. 1-4, 1921. Mrs. Margaret Flatt, in her Presidential address, spoke of an increasing field of responsibility with which the Executive was coming into contact; stated that the Women's Section now had representation in the Council of Agriculture and hoped that the conference between Delegates of the W. S. G. G. A. and Mr. Premier Martin, in December, 1920, would result in valuable additions to the Educational programme of the Province. The Executive Committee reported four meetings during the year, and that an Assistant Secretary had been appointed to relieve the Secretary for more active field work. Following the December meeting a Committee of four was appointed who, accompanied by J. B. Musselman, held the above-mentioned conference with the Minister of Education, discussed various rural educational problems, and suggested to him that grade as well as an age standard for compulsory attendance would result in a higher form of education and be an aid in the administration of the School Attendance Act.

Another incident, which it was hoped would result in greater co-ordination amongst the Grain Growers, occurred when Directors of the Women's Section were, for the first time, called to convene with the Central Board, and entered into its general discussion. The Ambulance Fund, amounting to $2,250, was stated to have been utilized in the purchase of an automobile which was turned over to the Earl Gray Military Hospital. Following this, other reports were submitted and they showed that the providing of rest rooms, travelling libraries, hot noon lunches, and play-grounds' equipment for schools, had occupied the interest of many of the Locals; a total of 53 new Locals had been formed during the year; 45 new Canadian schools had been adopted by the Women's organizations for assistance in Canadianization of alien children.

Only a few Resolutions were considered, some being referred back to the Committee for re-drafting, but the majority were turned over to the Executive with blanket authority to deal with them. The following, however, touching on Educational questions, were passed at the final meeting: (1) Petitioning the Department of Education to amend the School Law so that each child be compelled to remain in school until the age of 14 years, and as much longer, up to 16 years, as was necessary to complete the standard of Grade VI; (2) asking the Provincial Government to establish, as soon as possible, an extension library service in connection with the Travelling Libraries Department, similar to the system operated in Alberta and known as the "open shelf." On Feb. 2nd the old Executive was re-elected; Mrs. C. E. Flatt of Tantallon, President, Mrs. W. H. Frith, of Birmingham, Vice-President; Mrs. Ida McNeal, of Expanse, Mrs. John McNaughton of Harris, and Mrs. S. V. Haight, of Keeler, Directors.

The Saskatchewan General Elections: The Martin Government Sustained.

The probabilities in this contest were all with the Government which, though the lineal descendant of the Scott Liberal Government of 1905-16, did not at this time assume the name and style of Liberal; it had four Grain Growers amongst its members and the support of a majority in that powerful organization, with President Maharg as one of the Cabinet; there was no organized Conservative opposition and no recognized Leader to any of the elements which opposed it in the constituencies. Mr. Martin was

able, forceful, popular, and Mr. Dunning, as his first lieutenant, had very similar qualities; the Government had done good service to the Province and had an excellent record; the Cabinet was united, and there had, up to the Elections, been no personal scandals as to administration or politics amongst its members.

On Apr. 27, Donald Maclean, K.C., had retired from the Conservative leadership which he had held since 1917, and announced that he would not be a candidate; the Provincial Conservative Convention of that date, with 75 Delegates present, did not elect a successor but appointed a Provincial Committee, with Dr. Lee of Frobisher as Chairman, to make all arrangements for the coming Election; it was decided to concentrate on the constituencies where there was a chance of success, and candidates were to run as straight Conservatives. The membership of the existing House stood 47 Liberals, 6 Conservatives and 3 Independents. During this period a distinct tendency was shown to nominate Independent opponents of the Government and in the end, very few Conservatives ran as such.

At a Convention in Saskatoon, Mr. Premier Martin spoke at length on May 14 and made his preliminary campaign speech with the Government record and freight rates and wheat marketting as leading topics; he was explicit as to an effort under way to revive the Separate School question and discredit the Public School system; it was, he said, a submarine sort of struggle and the Government stood for the constitutional system as legally established; he referred, also, to the Independent movement and described it as a sort of Party in itself. On May 16 the Elections were announced for June 8 with nominations on the 2nd; at the same time, the Premier issued a Manifesto to the Electors. He first stated that the chief reason for this action—the preceding contest had been on June 26, 1917—was "the desire of the Government that the public business of Saskatchewan should be dealt with on its merits and not confused or affected by issues which affect the whole of Canada and questions which are of Federal jurisdiction." He declared, emphatically, that "the Government of the Province should not be responsible for the organization or the policies of any Federal political party and that the people should be given an opportunity to express themselves on Provincial affairs at a time when there is no Federal election in immediate prospect."

He then reviewed the 4 years' policy of his Government, specified lines of special assistance by it to the Soldiers and their dependents, and stated that, following the principle of co-operation between the Government and the farmers, which had been established for a number of years, further extensions of the Co-operative Elevator system had recently taken place—including the erection of a large terminal plant at Port Arthur—with the financial assistance of the Government. The experiment in Co-operative stockyards and Co-operative shipping, he added, bade fair to lead the way to great improvements in marketting conditions. Mr. Martin claimed that the $7,600,000 loaned to

farmers under the Farm Loans Act on long terms of re-payment, was a much larger amount than had been loaned under any other Government scheme in Canada; he mentioned the Mothers' Allowance Act, the Minimum Wage Board, the steady improvement of Education, the development in Highway construction, the Relief work in fuel, food, fodder and seed, carried out for the farmers in the past year; he claimed that the Public Health Act and Regulations made by the Bureau of Public Health, accompanied by firm administration, had placed Saskatchewan in the lead among the Provinces of Canada in this work; he stated that the affairs of the Province had been conducted in a business-like manner and that all supplies, wherever practicable, had been purchased by tender and all contracts for public buildings awarded by tender after proper advertisements. The following were the chief pledges made on behalf of the Government if returned to power:

1. To co-operate with the farmers in any practicable method of improving the system of marketting grain and farm products generally.
2. To continue the fight now waging for lower freight rates, believing that the present unbearable charges constitute one of the heaviest burdens on our people.
3. To provide for an Agricultural survey of the Province by the College of Agriculture and the establishment of Demonstration Farms under the control of the College and in close touch with the people.
4. To carry out a thorough investigation of the whole problem of Tuberculosis by experts in the treatment of the disease and the provision of necessary institutions to properly care for both curable and incurable cases.
5. To continue vigorous enforcement of the Saskatchewan Temperance Act and to give effect to the expressed will of the people on this subject.
6. To propose to the Legislature from time to time such Labour measures as will keep Saskatchewan in the lead among the Provinces, and to consult the representatives of labour on all matters affecting their interests.
7. To always keep in view the necessity of ensuring to every child the most efficient elementary education possible, with a thorough knowledge of the English language and the widest opportunities for higher education.
8. To take all possible measures to render the Teaching profession more permanent.
9. To develop the co-related Highways system in the Province, the foundation of which is already laid; assistance to be given in the construction of main roads leading to market towns in co-operation with rural municipal councils—the work itself to be undertaken by the municipalities.
10. To, wherever practicable, extend the Provincial Telephone system, thereby encouraging the more rapid development of the Rural system.
11. To put forth its best efforts to obtain from the Dominion authorities the transfer to the Province of its natural resources, and to develop the work of the Bureau of Labour and Industries in investigating and making known the nature, extent and industrial value of the natural resources.
12. To further develop a policy of assisting farmers in the purchase of Live-stock; to encourage the work of the Farm Loans Board as far as it is possible to obtain money for the purpose; to continue the policy

of assisting financially the Saskatchewan Co-operative Elevator Co., the Co-operative Creameries Co., and the Co-operative Stock Yards.

13. To appoint a Commission, representative of both urban and rural interests, to consider the incidence of the Public Revenue Tax with the object of devising means of removing inequaities.

At Weyburn, on May 23, the Premier reviewed the activities and policy of his Government; declared that he had never been in an Election where he felt greater confidence; made the interesting statement as to Patronage that "we have a Civil Service Commissioner whose duty it is to provide for appointments in the Civil Service, but I do not hesitate to say that in the filling of the more important positions the responsible head of the Department affected makes the selection"; described the Government costs in fighting the grasshopper plague in 1920 as $364,269 and the value of the crop saved as $25,000,000; stated that the Saskatchewan Co-operative Elevator Co., founded and carried on with Government assistance, had 322 elevators and 20,000 shareholders, had handled to the end of February, 1921, 209,416,891 bushels of grain and was the largest initial grain-handling concern in the world; as to the schools, stated that "generally, conditions in those attended by non-English children are just as satisfactory as conditions in thoroughly English-speaking settlements."

Meanwhile, the Independent movement had been gaining ground with the Conservatives as the basic element; with some support from Separate School advocates; with many farmers running as independent candidates and, practically, Agrarians; with, also, some Non-Partisans who still cherished competitive hopes against the Grain Growers and who operated in the North-east of the Province with the same platform as their colleagues in North Dakota; with Labour candidates in Regina, Moose Jaw and Saskatoon. Harris Turner, the blind veteran who was again a candidate for the House, was instrumental in calling a Convention of these Independents. The meeting took place in Saskatoon on May 31 with W. M. Thrasher of Dinsmore in the chair. The active members were Harris Turner, F. S. Wilbur, W. T. Badger, and R. H. Milliken; the keynote of the meeting was antagonism to the Martin Government and Mr. Turner's statement that "Parties tend toward corruption and should no longer be permitted to exist." Proposals to establish a Provincial Independent political party were rejected and it was decided to form a Central Committee for organization purposes which was to function until Election day and was composed of Harris Turner, Thomas Carroll and William Thrasher. Resolutions were passed denouncing the Government for bringing on the Elections during seeding-time; opposing the Party form of Government, and supporting a business-like type of administration, carried on by all members of the Legislature, instead of by a Party caucus; censuring Mr. Premier Martin for lowering the dignity of his office by charging Independents with being Bolshevists and Radicals

On June 2nd, 16 Government candidates were elected by acclamation, including Hon. G. A. Scott, Speaker of the late Legislature; Hon. S. J. Latta, Hon. C. A. Dunning and Hon. J. A. Maharg, members of the Government; well-known Liberals such as John M. Uhrich, J. G. Gardiner, and W. H. Sahlmark. Amongst the more notable candidates in the field were Lieut.-Col. J. A. Cross, D.S.O., in Regina, who was well-known as a Liberal; Rev. D. M. Oliver, Moosomin, also a war veteran, and Major R. T. Graham—both Government supporters; Mrs. M. O. Ramsland who had succeeded her late husband in a bye-elction; Harris Turner in Saskatoon, blinded in the war and now running as an Independent; W. G. Baker (Labour) a C.P.R. conductor living in Moose Jaw. The Conservative candidates included G. A. Cruise, a prominent lawyer of Saskatoon, James Pascoe, ex-Mayor of Moose Jaw, A. D. Gallaugher, formerly member for Thunder Creek.

Incidents of the campaign included Mr. Maharg's charge, on June 5, that the scheme of putting up the Independent candidates was engineered from the office of the Minister of Railways at Ottawa; the heated anti-Martin despatches of this period in the Toronto *Telegram* which denounced an alleged pro-Separate School propaganda and policy in Saskatchewan led by Mr. Martin and illustrated in the Gravelbourg incident where a Public School was housed in a Convent for want of another building; the candidacy of W. T. Badger, well-known as a Conservative, but running in Rosetown as an Independent and acting as a sort of Leader in that rather vague organization; the inclusion of 4 known Conservatives, 4 Labourites and 4 Non-Partisans amongst the Independents. The result of the contest was a substantial victory for the Martin Government with the Prime Minister receiving a personal vote of 7,300, which was said to be the largest ever obtained in a Saskatchewan election; with all the Cabinet re-elected by large majorities except Hon. George Langley who was defeated in Redbury by an Independent; with the return of 12 Independents and two Conservatives and the defeat of three Government supporters in the late House including R. A. Magee and J. A. McMillan; with Mr. Pascoe, a Conservative, defeating E. Murray Thompson (Government) in Moose Jaw and the election in this city of a Labour candidate as its other member. The following table shows the candidates, those elected, politics and majorities:

Constituency	Government	Opposition (Independent)	Candidate Elected	Majority
Arm River	Hon. G. A. Scott		Hon. G. A. Scott	Accl.
Battlefords	A. D. Pickel		A. D. Pickel	Accl.
Bengough	T. E. Gamble	E. A. Devlin	T. E. Gamble	833
Biggar	L. V. Locker	John Meikle	John Meikle	776
Cannington	Robert Douglas	W. G. Stockton	Robert Douglas	728
Canora	H. P. A. Hermanson	John Shabits		
		B. M. Sawiak	H. P. A. Hermanson	197
Cumberland	*Hon. Geo. Langley		Hon. Geo. Langley	Accl.
Cut Knife	W. H. Dodds	T. C. Raymond	W. H. Dodds	242
Cypress	H. T. Halvorson		H. T. Halvorson	Accl.
Elrose	W. Hagarty	H. A. Metcalf	W. Hagarty	256
		A. M. Wick		

Constituency	Government	Opposition (Independent)	Candidate Elected	Majority
Estevan	Robert Dunbar		Robert Dunbar	Accl.
Francis	W. G. Robinson	S. N. Horner	W. G. Robinson	227
Gravelbourg	Emile Gravel	W. J. Cummings	W. J. Cummings	270
Hanley	E. R. Ketcheson	P. G. Henrichs	E. R. Ketcheson	1058
Happyland	Stephen Morrey	A. E. B. Donovan	Stephen Morrey	1861
Humboldt	H. M. Therres		H. M. Therres	Accl.
Isle a la Crosse	*J. O. Nolin	J. E. Burnouf	J. O. Nolin	105
Jack Fish Lake	D. M. Finlayson		D. M. Finlayson	Accl.
Kerrobert	J. A. Dowd	J. J. Cochrane	J. A. Dowd	1192
Kindersley	R. B. Jones	W. H. Harvey	W. H. Harvey	1909
Kinistino	J. R. Taylor	John McCloy	J. R. Taylor	169
Last Mountain	Hon. S. J. Latta		Hon. S. J. Latta	Accl.
Lloydminster	R. J. Gordon		R. J. Gordon	Accl.
Lumsden	W. J. Vancise	J. K. McInnis	W. J. Vancise	825
Maple Creek	P. L. Hyde	D. S. Horne	P. L. Hyde	631
Melfort	G. B. Johnston	J. A. Macdonald	G. B. Johnston	703
Milestone	Bernhard Larson		Bernhard Larson	Accl.
Moosomin	D. L. Oliver	J. L. Salkeld	J. L. Salkeld	71
Moose Jaw City	E. M. Thomson Harold Fletcher	W. G. Baker (Lab.) James Pascoe Hugh McKellar	W. G. Baker James Pascoe	205 6
Moose Jaw, County	Hon. Chas. A. Dunning.		Hon. Chas. A. Dunning	Accl.
Morse	Hon. J. A. Maharg		Hon. J. A. Maharg	Accl.
North Qu'Appelle	J. G. Gardiner		J. G. Gardiner	Accl.
Notukeu	George Spence		George Spence	Accl.
Pelly	Mrs. M. O. Ramsland	G. F. Stirling (Non-Partisan) H. W. Slipchenko C. E. Tran	Mrs. M. O. Ramsland	449
Pheasant Hills	J. A. Smith	H. W. Lindsay W. H. Blyth	J. A. Smith	538
Pipestone	W. J. Patterson	Thos. Harkness A. B. Potter	W. J. Patterson	94
Prince Albert	Charles McDonald		Charles McDonald	Accl.
Redberry	Hon. Geo. Langley	George Cockburn	George Cockburn	250
Regina City	Hon. W. M. Martin J. A. Cross	F. B. Bagshaw Harry Perry (Lab.) Henry Black	Hon. W. M. Martin J. A. Cross	1588 2452
Rosetown	J. A. Wilson	W. T. Badger	J. A. Wilson	295
Rosthern	John M. Uhrich		John M. Uhrich	Accl.
Saltcoats	Dr. G. W. Sahlmark		Dr. G. W. Sahlmark	Accl.
Saskatoon City	Hon. A. P. McNab J. A. Valens	Harris Turner G. A. Cruise (Cons) A. M. Eddy	Hon. A. P. McNab Harris Turner	319 474
Saskatoon, County	Murdo Cameron	Charles Agar	Charles Agar	109
Shellbrook	E. S. Clinch	A. McGowan	E. S. Clinch	583
South Qu'Appelle	Anton Huck	D. H. McDonald	D. H. McDonald	483
Souris	Ed. Waddington	J. P. Gordon	J. P. Gordon	30
Swift Current	R. T. Graham	D. J. Sykes J. G. Laycock ((Lab.)	D. J. Sykes	85
Thunder Creek		W. J. F. Warren A. D. Gallaugher (Cons).	W. J. F. Warren	42
Tisdale	*H. E. Jones	H. J. McPhail	H. E. Jones	207
Touchwood	J. M. Parker	A. E. Bolton (Non-Partisan)	J. M. Parker	504
Turtleford	Arch. Gemmell	Fred Webb	Arch. Gemmell	123
Vonda	James Hogan	J. H. Currie	James Hogan	1923
Wadena	J. A. MacMillan	W. H. McKinnon	W. H. McKinnon	740
Weyburn	Hon. C. M. Hamilton	T. McLelland	Hon. C. M. Hamilton	2057
Wilkie	Reuben Martin	S. Bingham	S. Bingham	99
Willow Bunch	A. J. Hindle	J. H. Wallace	A. J. Hindle	507
Wolseley	R. A. Magee	Geo. Bennett	Geo. Bennett	384
Wynyard	D. B. Musselman	G. W. Robertson	G. W. Robertson	672
Yorkton	T. H. Garry	A. R. Reusch	T. H. Garry	647

The Independent vote in the contest proved unexpectedly large; in three constituencies—Cumberland, Isle a la Crosse and Tisdale—elections were deferred with, eventually, J. L. Nolin elected as a Government supporter in Isle a la Crosse, and H. E. Jones in Tisdale; Hon. George Langley was the Government candidate in Cumberland and was elected over W. C. McKay (Ind.), who retired too late from the field and lost his deposit. Mr. Martin's majority at the close of the year, and as a result of the Elections, was 29.

*NOTE.—These were deferred elections with final results as indicated.

THE PROVINCES OF ALBERTA
AND
BRITISH COLUMBIA

Alberta: Agricultural and Mining Conditions of 1921; The United Farmers.

Alberta, originally and in large degree, was a ranching country; when Agriculture began to develop and then grew with lightning strides, settlement and farming went together; many farms were started in the South, where much of the country was best fitted for grazing and, without irrigation, not well adapted for agriculture. Hence the difficulties which came in bad years to so many of its farmers. Everything started well in 1921, the seeding was early, the season at first favourable, the acreage 1,700,000 more than in 1920; then followed a series of dry and hot spells of weather, hail storms over an unusually wide area, grasshoppers and other insect pests worse than usual, soil-drifting in the South bad, though not as extensive as in 1920. The result was a disappointing crop, with a continued fall in prices; added to all this was the exclusion of cattle from the United States market.

H. A. Craig, Deputy-Minister of Agriculture, in his annual Report for 1921, described this as one of the most difficult years ever experienced by the farmers of Alberta—with a crop failure in portions of the South and low prices, high freights, and high prices for some of the articles required on the farm. He expressed, however, much optimism as to a future along mixed farming lines and in Dairying development. C. P. Marker, Dairy Commissioner, estimated the 1921 value of Dairy products as $25,500,000 compared with $34,000,000 in 1920—Creamery butter, with 44 creameries operating, being valued at $4,572,000 compared with $6,555,509 and Cheese with 10 factories in operation totalled $215,125. S. G. Carlyle, Live Stock Commissioner, dealt with the slump in prices for cattle, which fell from $6.00, $8.00, $10.00 in the first part of the year, according to grade and quality, to $3.00 and $4.00 in October, and described the chief reason as the new American Tariff: "The stockmen of Alberta looked upon the Chicago Stock Yards as their natural market, consequently prices paid here were based on prices obtained at that market. The imposition of the Tariff forced the prices of Alberta cattle down so that producers were forced to sell their stock at a tremendous loss. The cattlemen being thus handicapped by the tariff, turned their attention again to the British market for the solution of the problem confronting them." The first results were not satisfactory.

The Department's work during the year—under Hon. Duncan Marshall as Minister and, latterly, Hon. George Hoadley, was varied and important. Much was done to fight noxious weeds with 29 new Inspectors appointed, encouragement to

field crop competitions and Seed fairs and grain distribution amongst 1,300 farmers. The Poultry Commission reported a large and continuous increase in poultry—from 3,172,777 in 1916 to 4,963,565 in 1921, with a turkey growth, in particular, of 100 per cent. in three years—the Marketting Branch of the Department doing good work as to both poultry and eggs; the Provincial Demonstration Farms at Vermilion, Olds, Gleichen, Claresholm, Sedgewick, Athabasca and other points, continued their excellent record, while Exhibitions and Fairs were held at 108 places during the season with results reported as gratifying to the Superintendent—Alex. Galbraith; Big game killed during the year were reported to the Department as totalling 1,018 Moose, 223 Caribou, Mountain Sheep and Goats, and 1,120 Deer—the Provincial Game Warden holding conditions in check with licenses and a system of oversight.

The increasingly important Women's Institutes reported 330 Societies and 15,300 members under Miss Isabel Noble of Daysland as Provincial President, and a work which included Foods and Cookery courses and 24 other Short Courses in Sewing, Home Nursing and Handicraft with an attendance of 5,028; 214 Demonstration lectures attended by 7,490 students and 68 ordinary lectures with 2,718 in attendance; 463 meetings were held with a total attendance of 17,691; the Reading Collection of the Institutes was made up of bulletins, (15,000 distributed), reference books, and clippings from magazines, newspapers, pamphlets, speeches and addresses and was largely used with Travelling libraries specially promoted; the Standing Committees on Child Welfare, Public Health, Education, Legislation, Irrigation, Household Economics, Agriculture, Publicity and Canadianization, did effective work during the year, while District and Constituency Conferences were held with much success; $98,771 was raised for charitable purposes and the Girls' Clubs increased to 55 with 990 members.

The Crop Statistician reported 8,803,121 acres in crop with 141,392,233 bushels of grain—an increase in area of 886,639 acres and a decrease in product of 74,256,511 bushels from 1920; this compared, however, with a production in 1911 of only 50,907,531 bushels. The College of Agriculture, under E. A. Howes, Dean, reported an enrollment in the year of 47 students for the Spring term and 70 for the Fall term, with 10 graduates; the departments of the College work included Horticulture, Poultry, Dairying, Agriculture, Engineering, Soils, Field and Animal Husbandry and the usefulness of its instruction was a growing factor in the Province. The Schools of Agriculture at Olds, Raymond, Gleichen, Vermilion, Claresholm, Youngstown, with 254 students, reported to the Minister valuable work in Research, Ensilage, Trench Silos. Grasshopper Pest, Experiments, Mechanics, Subsoiling, Entomology, Meteorology and other subjects. Shipments for the year, as given by the Live-stock Commissioner, totalled 24,264 Horses and 332,519 Cattle. Meanwhile,

farmers concerned in Hog production and dairying had a double advantage—very low prices for feed and high prices for their finished product. The general production of 1921, according to Provincial statistics*, was as follows:

Products	Acres	Average Per Acre	Yield in Bushels	Price	Value in Round Numbers
Fall Wheat	85,114	17·25 bus.	1,468,000	$.71	$ 1,042,000
Spring Wheat	4,564,290	11·30 bus.	51,576,000	.77	39,714,000
Oats	2,139,743	30·00 bus.	64,192,000	.24	15,406,000
Oats, (Green Feed)	755,651	1·50 tons	1,133,476 tons	10.00	11,334,760
Barley	523,891	22·25 bus.	11,657,000	.32	3,730,000
Rye	138,836	14·40 bus.	1,999,000	.62	1,239,000
Potatoes	51,377	158·50 bus.	8,143,000	.50	4,072,000
Alfalfa	30,000	1·75 tons	52,500 tons	12.00	630,000
Timothy, etc	454,883	1·00 tons	454,833 tons	10.00	4,548,330
Fodder Corn and Sunflowers	6,991	10·00 tons	69,900 tons	4.00	280,000
Mixed Grains and Sundries	52,345	40·87	1,780,000		799,200
Total	8,803,121		140,835,000 bus. 1,710,709 tons		$82,795,290
Animals slaughtered and sold					$17,290,416
Dairy Products					25,500,000
Wool Clip (2,177,123 lbs.)					300,000
Game, Furs, etc					1,500,000
Poultry and Poultry Products					8,470,000
Horticultural Products and Garden Stuff					1,600,000
Grand Total					$137,455,706

The Provincial figures as to Live-stock showed 916,110 Horses valued at $36,660,400; 1,854,202 Cattle worth $79,731,400; 523,599 Sheep worth $4,188,792 and 574,318 Swine valued at $10,337,724; Poultry stated at a valuation of $5,671,004. The total value was $136,589,320. There was an all-round estimated increase in Live-stock of 175,000 in Horses, 1,500,000 in Cattle, 287,000 in Swine, and 140,000 in Sheep. According to Federal official figures for 1920 and Provincial for 1921, there was a loss in values of $23,000,000 on Horses with a gain of $20,000,000 in Cattle and of $4,000,000 in Sheep and Swine; similarly in Field crops, there was a decrease in values of $86,000,000 in wheat, $26,000,000 in Oats, $7,000,000 in Barley and Rye, $6,000,000 in Potatoes and Turnips, $3,000,000 in Hay and Alfalfa. Coupled with the two-year drought in the Southern region between Calgary and Lethbridge, and two years' decline in prices throughout the Province and the cutting off of the American markets, it was little wonder that even the extraordinary and justifiable optimism of the West gave way for a time to depression in Alberta. It was a passing phase, as in parts of Manitoba and Saskatchewan; back of it was a long record of great progress and much prosperity; but it influenced many conditions and, amongst others, of course, the fate of the Government. As a matter of fact, the fall in prices was so great that a reaction developed at the close of the year and both Live-stock and the 1921 grain crop realized more than official estimates showed. The following table (Federal official figures) indicates the Agricultural Income of Alberta farmers over a four-year period with the effect of the after-war deflation in prices:

*Note—Budget Speech of Hon. H. Greenfield, Mch. 13, 1922.



The Hon. Herbert Greenfield, m.l.a.
Appointed Prime Minister of Alberta in 1921.

Alberta	1918	1919	1920	1921
Field Crops	$113,072,000	$158,044,000	$204,292,000	$ 82,780,000
Farm Animals	33,164,000	26,353,000	16,054,000	16,065,000
Wool	1,349,000	1,172,000	528,000	375,000
Dairy Products	10,387,000	14,620,000	17,616,000	17,616,000
Fruits and Vegetables	1,500,000	1,500,000	1,500,000	1,500,000
Poultry and Eggs	4,480,000	4,480,000	5,040,000	6,160,000
Fur Farming	26,000	26,000	12,000	16,000
Totals	$163,978,000	$206,195,000	$245,042,000	$124,512,000

To meet the Live-stock and United States situation, Mr. Marshall, as Minister of Agriculture, took an active part in urging the removal of the British Embargo upon Live cattle. He was in England at the close of 1920 and joined Mr. Doherty of Ontario and Dr. Tolmie of the Dominion Government, in educating British opinion along this line; he crossed again in May, 1921 and appeared before the Royal Commission appointed to enquire into the matter. He told the Toronto *Globe* (July 1st), on his return, that its findings would depend on the evidence; that every possible courtesy and assistance was given the Canadians in pressing their points publicly and at the Enquiry; that the demand for feeding cattle in the Old Country was very keen, as shown by the fact that stockers commanded a premium of 20 shillings per 100-weight over beef cattle; that the farmers in the north of England and in Scotland were anxious to have the Embargo lifted in order to utilize the immense stocks of feed on hand; that during the past 12 months not more than 15 per cent. of the meat sold at the great Smithfield market had been fresh-killed.

The Minister's statement for Alberta, as presented to the British Commission (Edmonton *Bulletin*, July 6) was an able document which reviewed the Resolutions passed by the Alberta, Saskatchewan, Manitoba and Ontario Legislatures protesting against the Embargo; quoted a recent despatch from the British Government to Uruguay pointing out that 6 months was too long a period for an embargo which that Republic was placing on British cattle because of an outbreak of disease and asked if 29 years was not too long for Canada; reviewed the health condition of Canadian cattle and, as to danger from the long United States boundary line, pointed out that Canada had been able to protect that line against disease for some 30 years and to do this so effectively that during the outbreak of foot-and-mouth disease in the United States in 1914 and 1915 no trace of the disease was allowed to get into Canada. The ultimate Report of the Commission was received with satisfaction in Alberta.*

The farmers and the Government, also, had to meet another invasion of grasshoppers in June and July, and there was a tremendous demand for ingredients of war against the pest; there was a tendency not to return to points where they had been fought in 1920 and they injured grains more than gardens; fences were said to be a great breeding ground for the insects,

*Note.—See Empire Sestion of this Volume.

and there was some demand for amendment of the Herd law so that fences could be dispensed with; Calgary was, at one time in June, menaced by a great army of the invaders and an organized fight had to be put up. Despite their appearance at various points in 1920 and in 1921, the subject was new to most of Alberta's farmers and a good deal of education was necessary to make them understand the menace. The Department established centres for distribution of poison ingredients and information, great quantities of molasses and other material were obtained and distributed and many areas of crop saved from destruction.

During the year there was continued discussion of the Livestock situation. The Calgary *Herald*, on Aug. 3rd, declared that: "Canadian stockmen, to-day, are at the mercy of American buyers. No other market is available, and prices have been knocked down to the lowest point they have reached in 20 years. Low as prices are, the Western stockman has to pay the 30 per cent. duty imposed by the Young-Fordney measure, *plus* the amount of the exchange." Facing this situation was an estimated 50,000 of unfinished Alberta steers as to which the ranchers had no certainty of sale with much expensive feeding to still carry out. From the cattlemen Resolutions and protests poured into Ottawa dealing with the shrinkage of commodity values, the practical withdrawal of further credits, virtual exclusion from the United States markets and the absence of long term credit facilities. New markets were urged for Alberta Stocker cattle and this problem was the first one which the new Provincial Government had to face. A trial shipment of fat beef cattle, sent to Scotland in June by the Department of Agriculture, showed a loss in the end; they were shipped to Glasgow and sold in the public market for immediate slaughter. Meanwhile, immature stocker cattle were being sold at a sacrifice to American buyers who wanted cheap young stock for next year's markets. On Nov. 12 Mr. Hoadley, the new Minister of Agriculture, told the Winnipeg *Free Press* of a proposal he had just placed before the Ottawa Department of Agriculture as to the feasibility of establishing finishing stations for Canadian cattle in Belgium, Holland, or France; shipping the cattle there, and feeding them long enough to restore their bloom and remove any bruises received in transit; slaughtering them and a few hours afterwards placing the freshly-killed beef on the British market.

Agricultural incidents of the year included the curious and widely-heralded efforts of a Californian named C. M. Hadfield to bring rain to Alberta farmers when needed; a contract under which he received $8,000 for two months' work near Medicine Hat, and the statement in the press of May 17, while the efforts were under way, and after "making rain" for about a month, that local farmers had asked Hadfield to "turn off the moisture for a few days" and seemed quite satisfied that he could and did deliver the rain as per contract; the development of Beaver

farming with special success at the Edgerton farm of F. F. Parkinson with 100 beavers in stock and profitable conditions stated in the press of June 25; the shipment of 3,000,000 pounds of wool by Alberta farmers with most of it taken by Canadian mills; the largest fall of Hail in the Province during its history, with heavy losses to Hail Insurance interests.

The victories of Alberta farmers at the Chicago International Stock and Grain Show of Nov. 26 made an interesting event—the 2nd Prize in Hard Spring Wheat going to L. G. H. Strange of Fern, the title of Champion Oats grower of the World being won for a second time by John W. Lucas of Cayley, the 1st and Grand Championship in Alfalfa going to Messrs. Grafton and McNaughton, farmers, of Brooks, Alberta; Dr. O. H. Patrick, Calgary, successfully handled the only flock of Karakul sheep in Canada with its valuable product of Persian lamb fur; on May 17 it was stated that the famous Noble Foundation, a great ranching and farming concern south of Calgary, with an owned and leased area of 65 square miles and a harvest in 1920 of 197,000 bushels of wheat and 74,245 of rye, was in the hands of a friendly Receiver but not actually insolvent.

Irrigation Problems and Progress. Meanwhile, the situation in the South had accentuated the importance of the Irrigation work of past years and accelerated the popular movement for further progress. Southern Alberta was anxious for a definite Government policy in this connection. The Stewart Government, in 1920, was frankly afraid of a problem involving 1,500,000 acres of land which would benefit by Irrigation—at an estimated total cost of $100,000,000! The tentative legislation of the previous year* had practically failed through the inability of the Lethbridge Northern Irrigation District to sell its $5,400,000 issue of Bonds and the projects discussed in January of this year were (1) that the Province should finance the Lethbridge project and demonstrate to the investing public that Irrigation District bonds were good investments, or (2) that the Province should guarantee the principle and interest on the bonds for a term of years.

There was no doubt as to the success of Irrigation when properly financed and applied—as in the splendid C. P. R. areas of Southern Alberta. In this region it had transformed the face of the country, won American championships for cereals and tubers grown in irrigated land, caused crops to grow which were previously not adapted to the country, and made wealthy men of many struggling farmers. It increased the average yield of wheat 77 per cent., oats 54 per cent., barley 81 per cent., potatoes 250 per cent., on the Irrigated farms of this region and the passing years only confirmed its soundness and advantage. But the C. P. R. had done its work in this connection and proved,

*Note.—See *The Canadian Annual Review* for 1920—Alberta Section.

in its $25,000,000 project, the value of Irrigation and its importance to the country; it now refrained from new projects but strongly recommended an Irrigation policy and bonds issued under right conditions.

In April the Provincial Government decided to guarantee principle and interest of the bonds of the Lethbridge Northern District and the Legislature, with practicable unanimity, approved the policy; the Legislature also provided that the Irrigation Council of the Province should let the contract for construction and exercise general supervision over the Trustees; the District to be dealt with comprised 104,758 acres with water to be derived from the Old Man River; within a brief period surface surveys had been completed, sub-surface surveys inaugurated, and the Council supervising the further development of the project; tenders were requested for the actual work of excavating canals and ditches. The first block of Debentures, $2,400,00, 30-years, 6 per cent., were issued at the end of May and were at once taken up in Toronto; various contracts were awarded on June 2nd and before the Summer was over other areas were demanding Government assistance and there was talk of $50,-000,000 being spent in the next five years on Southern Alberta Irrigation schemes. In July, Wood, Gundy & Co., of Toronto, stated that $4,400,000 of the Lethbridge bonds had been sold and had proved a very attractive security; that, also, the cost of the project would be considerably less than the original estimate of $5,400,000. By the Autumn the following Districts had organized, or partially so, for Irrigation purposes with 1,700,000 acres involved:

United Irrigation District between the Belly and Waterton rivers; the South Macleod Irrigation District of 60,000 acres; the Retlaw-Lomond project, covering 70,000 acres; the Medicine Hat Southern and Eastern projects, 10,000 acres; the Beaver Creek project, 10,000 acres; the Champion project, 50,000 acres; the Little Bow project, 3,000 acres; the Lethbridge Southeastern project, 500,000 acres; the North Saskatchewan project, acreage unknown; the Little Bow project, 3,000 acres.

Some of this work depended upon the St. Mary and Milk Rivers and their tributaries, which were international in character, and several conferences in this connection were held in September between Canadian and American officials. The subject was discussed, from both the Alberta and British Columbia points of view, at the 15th Convention of the Western Canada Irrigation Association, Vernon, B.C., on July 28-30. J. A. McKelvie, M.P., presided and Resolutions were passed (1) expressing appreciation of the work done during the past years by the Dominion and Provincial Governments, in preparatory surveys and stream measurements; (2) urging the Dominion Government to keep up with the United States Government in a scheme of co-operation to make satisfactory arrangements for the use of water from the St. Mark and Waterton Lakes in Montana; (3) asking the Dominion, also, to hasten the surveys relating to the taking of water from the St. Mary and Milk Rivers, which

were subject to International Treaty; (4) urging the Dominion to ascertain at once how much land in Southern Alberta could profitably and economically be irrigated from water wholly controlled by Canada. Hon. J. A. Maharg, Saskatchewan Minister of Agriculture, was elected President for 1921-22.

The subject was discussed at a meeting of the Western Canada Colonization Association held at Calgary on Aug. 3rd, with Mr. Premier Greenfield of Alberta taking part, and at the Convention of the Engineering Institute of Canada at Saskatoon on Aug. 10. The International Waterways Commission met at Chinook, Montana, on Sept. 15, and at Lethbridge on the 17th, to deal with the Milk River matter. G. R. Marnoch, the Alberta pioneer in this general project, presented the subject to the Commission and a letter was read from Mr. Greenfield stating that Irrigation development in the territory affected by the Rivers in question was entirely at a standstill and urging a decision: "The success and, in fact, the necessity of Irrigation in the territory served by these streams has been amply demonstrated. The Reclamation service of the Dominion has made very complete surveys; the Provincial Government has provided a very complete machinery for the formation and administration of co-operative Irrigation districts properly supervised; the lands are practically all occupied and the people almost unanimous in their desire to proceed to form districts and construct their Irrigation works." At Edmonton, on Nov. 8th, the Alberta Premier announced the *personnel* of a Southern Alberta Survey Board which was to fully investigate and report upon the Irrigation situation. The Board was to consist of C. A. Magrath, Chairman; Judge A. A. Carpenter, of the Public Utilities Commission of Alberta; G. R. Marnoch, ex-President of the Board of Trade at Lethbridge, and W. H. Fairfield, of the Dominion Experimental Farm at Lethbridge. The stated objects of the Board were as follows:

1. To formulate a policy in regard to the development of farm lands as to which surveys of the Dominion Reclamation Service show the possibility of Irrigation.
2. To study methods in furtherance of the Colonization of Irrigable lands.
3. To develop a policy as to the furtherance of the greater economic advantage of farmers on lands which cannot be irrigated.
4. To expedite the investigations by soil and topographical surveys already initiated.
5. To report upon the general financial conditions prevailing in the areas referred to, having regard to the prime necessity for the maintenance of credit of individuals, institutions and municipal and school districts.

Acting with the Commission in a co-operative way was L. C. Charlesworth, Chairman of the Irrigation Council of Alberta, and he delivered a notable address to the Calgary Board of Trade on Nov. 25, in which he dealt with the Council's work in organizing the Irrigation Districts and looking after the movement as a whole. The new Survey Board held its first meeting at

Medicine Hat on Nov. 29, and then went on to Lethbridge, Retlaw, Hanna and other points, up to the close of the year. By the end of the year, in addition to the existing C. P. R. Irrigation works of 361,000 acres and the Canada Land and Irrigation System of 50,000 acres, there was a completed Taber system of 17,000 acres under the Alberta Act with the Lethbridge Northern prospect of 105,000 acres, the United Irrigation District of 23,000 acres, and the South Macleod Irrigation District of 50,000 acres, under way.

Alberta Mineral Interests of 1921. This Province is said to contain one-fourteenth of the Coal supply of the world; the greater portion of it is usually called Lignite, but there are large resources in Bituminous and some Anthracite is produced; Edmonton and other areas produced a coal which they claimed was not Lignite but a special and better variety, and proofs were produced which had some strength. The Exchange situation and dependence of Canada upon Pennsylvania coal, the fact that over $200,000,000 was, at this time, going into the United States yearly to pay for this imported product, made these resources of great importance; the conditions of production and capital and labour and transportation in Alberta became a national question. At the beginning of 1921 the Coal operators were in a difficult position. They claimed that as members of the Red Deer Coal Operators' Association, they were operating under an agreement with the United Mine Workers of America, District 18, which was to last until March, 1922; that under this agreement, which was entered into at a time of stress, they were paying higher wages than the industry could stand; that the price of their product was inflated, in comparison with the prices of other products which the public required, and that they could not meet the competition of American coal; that coal miners' wages were excessively high in comparison with those obtaining in other departments of labour.

They did not, however, make any move to break the agreement. Meantime, the miners in the Edmonton District demanded an increase in wages, and claimed that they were getting less than was paid by the Drumheller and other mines of that field. All through the year the issue of high wages and freight rates and American competition harassed the owners; during much of the time Manitoba was getting American coal so cheaply that the Alberta fuel could not obtain a permanent foothold. Competition was keen and fierce; it was alleged that West Virginia coal was laid down in Chicago at a freight of $3.58 a ton, while from the Crow's Nest Pass the rate to Winnipeg was $5.30 a ton. American bituminous coal was retailed in Winnipeg at $9.75 a ton and against this Alberta coal had to be sold at from $12.75 to $15.50 a ton—chiefly because of wages and freight rates. At the same time, the Alberta mine owners, in agreement with U. M. W. A., were paying higher wages than the non-union mines and were losing some of their own local markets. The production of 1921 in Alberta, according to Federal figures,

was $29,458,531, compared with $33,586,456 in 1920. Provincial statistics showed the following tonnage of production:

Product	1920 tons	1921 tons
Domestic Coal	3,359,308	2,943,111
Bituminous Coal	3,419,021	2,887,185
Anthracite Coal	130,594	96,974
Total	6,908,923	5,927,270
Briquettes	101,922	62,466
Total Tonnage	7,010,845	5,989,736

The Provincial Report as to 1921 production, submitted by J. T. Stirling, Chief Inspector of Mines, stated that of the above product 3,429,960 were shipped to Alberta points, while 1,914,-156 were exported outside the Province but within Canada, and the balance to the United States. During 1921, 333 coal mines, two shale mines, and one copper mine were in operation, 90 coal mines were opened during the year, 17 re-opened, and 17 abandoned. There were 12,204 employees at the close of the year, and during the year the Provinces west of the Great Lakes had imported 2,479,484 tons of coal from the United States. An incident of the year was the alleged discovery, in December, of platinum and gold deposits along the banks of the Red Deer River with current activity in staking claims. The development of the great Northern region of the Peace and the Athabasca Rivers continued during 1921 with Edmonton looking for its future to the vast drainage basin of the Northern Rivers. The Alberta and Great Waterways Railway was a short and direct route from Edmonton to the North, and its completion to Fort McMurray was a matter of importance. The tremendous game riches of this North country; the evidences that it was a storehouse of unexploited Minerals; the curious fact of its being, in parts, a splendid agricultural region; its unlimited resources in salt, fish, timber, and water-power and possibilities as to petroleum, were conditions of this year, as of 1920. During the year a good freight service was established by the A. and G. W. Line to McMurray with 122 cars and 2,285 tons carried between Nov. 1st, 1920, and Mch. 31st.

Meanwhile, Oil continued to be a possible source of riches in Alberta. Prof. J. A. Allan, M.SC., PH.D., in the publication already mentioned, defined several sections in which there were Oil possibilities: (1) Southwestern Alberta; (2) the Sweet Grass Hills; (3) the Okotoks Field; (4) Central Eastern field—between the North Saskatchewan and Athabasca Rivers within the Foothills; (6) Peace River; (7) the Upper Peace River field; (8) Great Slave Lake; (9) the Lower Mackenzie basin. The bituminous sands of Northern Alberta and the Northwest Territories enclosed an enormous supply of Oil, in Professor Allan's judgment but, up to the present time no process capable of extracting this Oil content had been discovered. It was stated by the Montreal *Financial Times* (June 4) that $1,000,000 was being spent in Southern Alberta for Oil leases with another mil-

lion invested in drilling rigs with other machinery actually in operation or soon to be in operation. The Imperial Oil Co. was drilling in the Great Slave Lake field, as well as at Fort Norman; its operations were said to include Fort Norman, Windy Point, Pine Point, Peace River, Pouce Coupé, Brazeau, Coalspur, Irma, Monitor, Okotoks, and Pincher Creek; by March 66,000 acres of claims had been filed and there seemed no doubt that the possibilities of finding extensive recoveries of petroleum were greater in Alberta and the Mackenzie Basin than in any other part of the Dominion. During the Summer investors and interested parties continued to arrive in Edmonton and Calgary from the United States and at one time in the season, 41 wells were actually drilling with seven of this number resuming operations after a lapse of some time.

The United Farmers of Alberta. The year 1921 saw this organization of Farmers and Farm Women firmly established as an agricultural factor and political unit of great influence. The 13th annual Convention of the U. F. A. met in Edmonton on Jan. 18-21, with 1,465 Delegates in attendance and several hundred visitors. H. W. Wood presided for the 6th time and, during the Convention, the Hon. T. A. Crerar, M.P., was recognized as National leader of the Farmers' movement in the Federal field. Mr. Wood, delivered a careful address on economic lines and a keen analysis of existing conditions. H. Higginbotham, Secretary, in his Report stated that during 1920, 172 Locals had been formed, making the total 892 as compared with 756 in 1919; the number of Women's Locals had increased, in the same time, from 210 to 293, and the Junior Branches from 20 to 62; the total number of all Locals was 1,251, including 4 affiliated Agricultural Associations which paid regular dues to the Central body. The total membership was 30,000 and, as stated later in the year (Oct. 31), was 33,312; the Report also referred to the interest evinced in the U.F.A. by Foreign-speaking farmers throughout the Province and, as a result, advised the preparation of certain literature in French and Ukrainian for organization purposes. Following this the Convention made a number of technical changes in the Constitution as to the U. F. W. A. and the Junior U. F. A. which latter was devoting its efforts toward work in the Schools.

A large number of Resolutions occupied attention for three days and one of special note was regarding Provincial Political action. The question of a Provincial newspaper to serve the Farmers' movement caused debate and President Wood, in placing a Resolution before the Convention, pointed out the necessity of having control of such an organ if the Association was to derive benefit from it. The Convention finally approved the establishment of a paper in which the U. F. A. should maintain a controlling interest. The mountain scale of rates in effect on the E. D. and B. C. Railway evoked criticism on the ground that they were excessive and a severe handicap to settlers along the main line and, therefore, the Legislature was asked to request the Railway Commission to reduce freight, passenger and express rates in operation on that line, to a Prairie scale. In this connection the Convention recommended the appointment of a representative farmer to fill the vacancy on the Board of Railway Commissioners. In all 248 Resolutions were put forward for discussion with about one half considered. A summary follows of the more important ones passed:

1. Favouring the reduction of Armaments and the settling of all disputes between Nations in an International Court.

2. Recommending that a Committee be appointed to draw up a Provincial political platform for distribution to all Locals for discussion.

3. Appointing a Committee to deal with the problem of foreign-born farmers and their instruction in the principles of the U. F. A.

4. Urging the Provinciai Government, in view of the fact that it had built and partly equipped 7 Agricultural Colleges, to complete those built before establishing others.

5. Opposing any changes re Insurance in Alberta and the introduction of a Bill by the Alberta Insurance Department to increase the license fee for writing Hail and Fire insurance with conditions as to new licenses which were said to be practically prohibitive for anyone not engaged in the Insurance business on a large scale.

6. Requesting the installation of efficient cattle guards and proper and legal fences along the Government Railways.

7. Asking the Department of Public Works to construct all bridges in the Province at least 20 feet wide, in order to allow the passage of the larger Agricultural implements.

8. Instructing the Executive to investigate ways and means of manufacturing leather and cotton cloth in order to overcome the long railroad haul on those articles and the prices imposed by manufacturers.

9. Urging the Minister of Agriculture to enact legislation putting the Weed Act into more stringent and effective force.

10. Protesting in the matter of naturalization against the action of the Secretary of State as to incoming Ukrainians and Bucovinians in requiring a certificate from the Polish Consul-General at Montreal to the effect that the place of birth of the immigrant was within the present Republic of Poland.

11. Condemning the Dominion Franchise Act, and urging that all naturalized citizens be given the same protection as native-born.

12. Urging the pressing need of Telephone service in many rural districts.

13. Opposing the action of several Municipal Councils which had passed By-laws placing a prohibitive tax on agents, peddlars and auctioneers.

14. Asking that the existing law as to a judgment against one person standing, also and arbitrarily, against another person of the same name should be repealed and such judgment apply only against the first party to it.

15. Asking the Provincial Government to publish annually a statement of the money raised from taxing automobiles, and spent in each municipality.

16. Petitioning the Provincial Government to pass a law compelling all Loan Companies doing business in the Province to accept insurance in any Insurance Company licensed and authorized to do business in the Province.

17. Favouring a full Government guarantee of the bonds of the Lethbridge Northern Irrigation District at the next Session of the legislature.

18. Protesting against the alleged abuse of power on the part of the Dominion Government in substituting Orders-in-Council for legislation.

19. Calling upon the Dominion Government to press upon the British authorities for redemption of the alleged promise to remove the Embargo against Canadian cattle.

20. Favouring the Nationalization of Canada's Banking and Credit Systems.

21. Expressing approval of a Resolution proposed but not passed in the last Legislature, urging the right of private members to vote against a Public Bill without defeating the Government.

22. Recommending the representatives of the U. F. A., in conjunction with the representative of the other Provincial organizations affiliated through the Canadian Council of Agriculture, to assist in preparing the way to final establishment of a Co-operative scheme for the marketting of the wheat crop of the Dominion.

23. Favouring the direct selling of commodities through some means to be provided whereby speculation would be eliminated.

24. Expressing appreciation of the services rendered by the Canadian Wheat Board and particularly, by its Chairman, James Stewart.

25. Urging upon the Federal and Provincial Governments the importance of enacting legislation so that in future all Federal and Provincial elections should be held under the Hare system of Proportional Representation.

The Hon. T. A. Crerar addressed the Convention on Jan. 19. He traced the development of the Farmer in politics and stated that the returned soldier ought to be a first charge upon the revenue; urged that the finances of the Government Railways be re-organized by writing down the Assets to a business valuation and that the Government should utilize its own Railways for its own business; declared that in the political field in which all the interests of the people were affected, there should be no refusal of assistance by the Farmers from those who were willing to help. The officers elected for the ensuing year were: President, H. W. Wood, Calgary, and an Executive composed of H. Greenfield, Westlock; Rice Sheppard, Edmonton; S. S. Sears, Nanton; E. J. Garland, Ramsey. H. Higginbotham, Calgary, was continued as Secretary-Treasurer. In connection with the U.F.A., there were incidents during the year which excited local and, in some cases, wider interest. On Oct. 6, Joshua Fletcher, a pioneer in the organization and President of the Grande Prairie District Association, tendered his resignation as an official, denounced President Wood in strong terms, and claimed that his action was a protest against what he called the "one man power" principle dominating the U. F. A. The matter was discussed with some interest because of Mr. Fletcher's prominence in the organization. Another incident was the action of Dr. Michael Clark, M.P. for Red Deer, in declaring his opposition to Mr. Wood's opinions as to class organization and in leaving the Farmers' Party—with ensuing defeat in the Federal Elections. During this event, also, Rice Sheppard, an officer of the Central Executive, failed to obtain the U. F. A. nomination for his constituency of Strathcona and accepted one from the Labour party, in opposition to the U. F. A. candidate in Edmonton. Such action was, in the opinion of a number of Locals, antagonistic to the constitution, and they passed Resolutions asking for Mr. Sheppard's resignation.

The United Farm Women of Alberta held its annual Convention at Edmonton concurrently with the U. F. A., on Jan. 18-21, but met in separate sessions, with Mrs. M. L. Sears in the chair. The Secretary reported a total of 293 local unions—83 more than in 1920—and a membership of over 3,000, in addition to which the Junior Locals had increased from 20 to 62—and on Oct. 31 following, had a membership of 1,165. Among the many questions discussed were Education, Health, Junior work, Prohibition, Legislation,and a place for the illegitimate child—as well as Co-operative marketting, and the proposed Wheat-pool. Politics proved as interesting to the women as amongst the men and Mr. Crerar spoke, separately, to the Convention and, later on, was endorsed as leader of the new Party.

Mrs. Paul Carr, in respect to Education, urged the retaining of older, more experienced, and conservative teachers; thought that increased salaries would go far to provide adequate teaching facilities for the rural schools; strongly opposed the paying of the same salaries to inexperienced and young teachers as to older and more experienced ones. The Educational Committee reported (1) that the Public School, proper, should consist of the first six grades; (2) that junior High Schools should be established to take in Grades VII., VIII., and IX.; (3) that senior High Schools should take in the remaining High School classes; (4) that vocational subjects should be introduced into the junior High Schools and, also, that a scheme be worked out whereby the Dominion

Government might contribute for educational purposes dollar for dollar with the Provinces; (5) that the Dominion Government should establish a Federal Department of Education with a Federal Minister. Mrs. W. Parlby, for the Committee on Public Health, advocated the removal of Education entirely from politics and suggested that it be handled by a Commission; she also introduced a Resolution, which was passed, urging the Nurses' Association and the Red Cross Society to take up, without delay, the question of training nurse-aids for service in the Rural districts. The elected officers for the new year were: Mrs. M. L. Sears, Nanton, President (re-election); Mrs. S. B. Gunn, Paradise Valley, and Mrs. D. C. Welch, Gleichen, Vice-Presidents. The following were the more important Resolutions passed:

1. Urging the Provincial Government to enact legislation giving municipalities the right to erect a High School, with dormitory attached, so as to enable rural children to get the advantage of High School education near home, and under competent supervision—the Government to assist the municipalities financially.
2. Asking for an amendment to the School Attendance Law that children under 14 years of age must be in attendance at school 90 per cent. of the time, instead of 75 per cent.
3. Recommending the establishment of Homes and Training Schools for first petty offenders and that in no case should they be released until they had learned a trade or some means of earning a living.
4. Urging that all liquor prescriptions with the name of the doctor who issued them, should be registered in the drug-store books, said books to be open to the public at all times.
5. Recommending that the Government provide for a search being made for the fathers of children born out of wedlock.
6. Calling upon the Provincial Government to implement its promise by so amending the Alberta Liquor Act as to correct the evils arising from the abuse of doctors' prescriptions.
7. Favouring a Provincial Library policy that would bring necessary books to every rural resident.
8. Suggesting the extension of naturalization to wives of aliens, to wives of naturalized British subjects, and of allowing a woman who was a British subject by birth to retain her British nationality if she should marry an alien.

Last Days of the Stewart Government: Administration and Legislation in 1921.

The Hon. Charles Stewart, in his 4th year of Provincial Premiership, had a difficult political situation to meet; a general Election during this year cleared the air, but it also ended a Liberal Government of the Province which had lasted under A. C. Rutherford, A. L. Sifton and Charles Stewart, for 16 years; the latter, in 1921, had to face financial depression and agricultural losses, together with the finally expressed determination of the United Farmers of Alberta to go into Provincial politics in opposition to his Government. The first incident of the year was the re-appointment of the popular Lieut.-Governor, Robert George Brett, M.D., LL.D., with the rather unusual honour of a second term; he was sworn in at Edmonton on Jan. 1st. Another matter of Provincial importance, though of Dominion appointment, was the re-organization of the Courts of Alberta, in October, when the Hon. David Lynch Scott, of the Supreme Court of Alberta, was appointed Chief Justice and member of the Appellate Division; the Honourable Messrs. W. L. Walsh, M. S. McCarthy, W. C. Simmons, and

W. C. Ives, of the Supreme Court, as Judges of the Trial Division of that Court, and the Honourable Messrs. C. A. Stuart, N. D. Beck, and J. D. Hyndman as members of the Appellate Division, Supreme Court.

A strong protest was registered by the Province against the action of the Dominion Government regarding the G. T. P. branch lines in Alberta. Mr. Premier Stewart wrote to the Dominion Premier early in May stating that when payment of interest fell due on the Grand Trunk Pacific branch lines the Province had to make good in London to save its credit as guarantor of the bonds: "The Dominion Government seized the Branch Lines by force of statute passed by the Parliament of Canada without consulting the Province—although the Province holds the first mortgage on the roads and their equipment because of its guarantee of the bonds. The Dominion Government has been in possession of these lines since March, 1919 and in receipt of their revenue."

Meanwhile, the Province had made two payments of interest: "The Government of Alberta does not propose to stand for this. We do not propose to permit the Dominion Government to collect the revenue of these lines and leave us to pay the interest on the bonds. The Government intends, if the Dominion does not promptly refund the payments, to commence legal action and to foreclose and take possession of the branch lines of the G. T. P. in Alberta." A little later Mr. Stewart of Alberta and Mr. Oliver of British Columbia met in conference and discussed the question of railway facilities for the Pouce Coupé district, Mr. Stewart urging extension from Grand Prairie and the British Columbia Premier wanting it from Spirit River. No definite agreement was reached, however, as to the combination and meeting of the two Provincial Railway systems which this would have involved.

The Reports of the Departments for 1921 were issued by the Ministers of the Greenfield Government; some of the incidents associated with that of Mr. Stewart may be briefly mentioned. The Directors of the Alberta Hail Insurance Board stated, on Sept. 16, that the premium rate for 1921 in the Municipal Hail Insurance scheme was 10 per cent.; that in 1919 and 1920 it was six per cent. or an average of 7⅓ per cent. for the three years. After all expenses of Administration had been paid, there would be a surplus in 1921 of $200,000; the total acreage assured at the beginnig of the season was 2,266,321 acres but on account of bad crop conditions the Insurance on 212,366 acres was cancelled leaving a net total of 2,053,955 acres on which Insurance was carried throughout the season; the total risk carried for the year was a little over $20,000,000 and the total award $2,150,000 or about 40 per cent. more than the 1919 and 1920 awards, combined, with losses amounting to nearly 11 per cent. of the total risk carried.

In June of this year the Alberta Government Telephone System made arrangements for the installation of a carrier current system of multiplex telephony, sometimes called "Wired Wireless," to operate between Edmonton and Calgary. Such Carrier systems as well as Carrier telegraphy had been used extensively in the United States during the past two or three years but had not as yet been utilized in Canada. The Province would, by the aid of these carrier circuits, it was expected, be able to extend its range of telephone communication to more distant points than was otherwise possible. The work of the Provincial Censor Board increased in importance during the year with Mrs. H. A. Harbottle and James McCaig appointed to fill vacancies. People attending the theatres of the Province in this year numbered 7,019,232; of this total Calgary took 2,437,640 or a daily average of 7,813 and Edmonton 2,335,941 or an average of 7,484.

It may be added that the Census returns of 1921 showed the population of Alberta as 588,454 compared with 374,295 in 1911. A word must be said here as to the death of Milton R. Jennings, Editor and Managing-Director of the Edmonton *Journal*, and the popular tribute accorded on Feb. 22, in the adjournment of the Legislature, and attendance of the Cabinet and members, at the funeral of a journalist known and respected throughout Canada. Government appointments of the year included J. A. Jaffray as Provincial Librarian in succession to John Blue, who resigned to become Secretary of the Edmonton Board of Trade, and of J. Stewart Mayor as a King's Counsel.

The Temperance Question in Alberta. This Province, despite nominal Prohibition, had an extensive sale and use of alcoholic liquors, and there was much division of opinion upon the subject; on Jan. 12, the Alberta Federation of Labour had declared in favour of Government control and the sale of Beer and light Wines. On Feb. 11 the Hon. J. R. Boyle, K.C., Attorney-General, had a conference at Edmonton with H. W. Wood and the Executive of the United Farmers—the latter presenting Resolutions of the U. F. A. urging strict enforcement of the Prohibition laws. Mr. Boyle pointed out that it was not a crime to possess liquor, that the problem was to prevent it being sold except as a medicine and that the Provincial Police had been attempting to enforce the Liquor law without fear or favour and, as a result, had far exceeded during 1920, all former records for convictions: "But when they were not only refused the active support of the general public but were subjected to indiscriminate criticism by various organizations, they were naturally disheartened." H. Greenfield, of Westlock, declared, as to this, that: "We cannot hope to effectually enforce the Liquor Act until we get the active moral support of the majority of the people in the Province; of that I am convinced."

As a practical illustration of difficulties, the Provincial Appeal Court, on Feb. 12, gave a decision in the Bell liquor case in-

volving $50,000 worth of liquor. The Crown lost its appeal, the conviction was quashed and the seized liquor reverted back to its owner. On Mch. 10 the Moderation League of Alberta sent a strong Deputation to the Government with Dr. C. F. P. Conybeare of Lethbridge, as the spokesman and 67,000 names signed to a Petition urging that the Government take entire control of the sale of liquor, including light beer and other liquor for family use, without intervention of medical men or dispensation through druggists. It was stated that the Liquor Act was not receiving the moral support and sympathy of the great mass of the people and, therefore, could not be enforced in its present state. The Hon. Mr. Stewart admitted that the Government had found enforcement most difficult, and it appeared that neither the Prohibition organizations nor the Moderation League were satisfied. There would be legislation at the next Session.

In the Legislature on Mch. 8, Hon. Mr. Boyle gave a return of the net revenue derived by the Government from its sale of liquor, handled in vendors' stores, as being $500,000 in 1919 and $1,596,204 in 1920, with, in the latter case, an offset in expenditure of $1,405,510 used for the administration of Justice. On Apr. 16, Mr. Boyle made a fuller statement including records showing that Alberta was second only to Ontario in convictions under the Liquor law, with 3,480 as against a total of 3,986 in Ontario, where there was a population five times greater. The Minister stated that the wholesale houses had imported liquor into the Province to the extent of $7,166,054 and were holding in stock $2,195,769, while the exports totalled $4,970,285 and the profits were, approximately, $2,485,142. He estimated that Alberta purchased as much as was shipped out through the warehouses, in 1920, and this would add another $2,485,142 in approximate profits. On their turnover, the Government vendors returned a profit to the Province of $811,389 while the profits made by the 250 druggists in the Province totalled $696,074 and the 504 doctors in the Province had issued 531,168 prescriptions for liquor at, say, $2.00 each or a profit of $1,062,336. Added to these totals Mr. Boyle estimated a profit made by 1,779 bootleggers of $1,779,000 and a profit by the estimated 1,140 illicit stills of 1,140,000—a total profit of $10,000,000.

These facts—which, no doubt, were more than duplicated in other Provinces but were not collected in figures for public information—were stated by the Attorney-General, in moving the 2nd reading of his Liquor Act Amendment Bill, and were adduced to prove the difficulties of enforcement. Mr. Boyle pointed out that, unlike the infraction of other laws such as those against burglary, assault, murder and similar crimes, the purchaser of a bottle of whiskey did not regard the breaking of the law as a personal offence or injury to himself, but rather in the nature of a favour in fact; instead of obtaining aid from his

neighbors in apprehending the offender, no notice would be given to the Police and no one would lay definite information or charges. Therefore, it was impossible to adequately enforce the Liquor Prohibition Law without a system of espionage, and what was true in Alberta in this respect was applicable all over the Dominion. In Alberta public opinion did not help the Police as they would like and the Minister gave various illustrations of this fact and of the difficulty of proving charges. The convictions obtained by the Provincial Police in 1920 included two Chiefs of Police who were retained in office by the Councils in spite of the conviction; also one Mayor of a town who was convicted for bootlegging.

As to the new Amendments, Mr. Boyle stated that they were designed to tighten up the law all along the line. Penalties were being heavily increased. Drug stores were to be more closely restricted. The former law only provided fines for infractions of the law and, after a few fines had been paid, druggists had conceived the idea of having the liquor business handled by a clerk —old bartenders being engaged in some cases. The new Act provided that where any person was found guilty of violation in a drug store, then the store itself would be prohibited from filling liquor prescriptions for six months as to a first offence and one year for the second. In order to prevent men whose premises had been put under the ban establishing new premises under a new name, the Act provided that any new drug store must be in business six months before being granted the right to handle liquor. The minimum penalty was $400 and the maximum $1,000. The number of medical prescriptions was to be limited to 100 instead of 150 and to 12 ounces in quantity.

Dr. G. D. Stanley of the Opposition said he considered the legislation in force at this time as good as any in Canada or elsewhere in the world. On the whole the legislation was excellent and the difficulties were those of enforcement. Administration, he stated, should be placed under a Commission; druggists should be excluded as privileged persons and Government vendors should handle the liquor distribution; doctors should be placed under permits Mr. Premier Stewart announced that the Government was strongly of the opinion that the present Liquor Act, through its abolition of the regular sale in bar-rooms of liquor for beverage purposes, had been, perhaps, the most important legislation in the interests of social reform passed in the Province. The sale of liquor for medicinal purposes had given more or less opportunity for violation of the spirit, if not the letter of the law, yet with all its weaknesses, there could be no question that the Act was a decided improvement upon the old License laws: "The Government does not propose to repeal the present law and legalize the sale of liquor for beverage purposes upon the request of petitions as presented."

In the Supreme Court at Ottawa the test case of the Gold Seal, Ltd., *vs.* the Dominion Express Co., was heard in May,

with H. H. Parlee, K.C., representing the Alberta Government and A. A. McGillivray, Calgary, the Company. The Company claimed that under the B. N. A. Act any legislation tending to forbid the Company shipping liquor from its Vancouver warehouses through the Dominion Express Co. to Calgary, was interference with free and unobstructed inter-Provincial trade. After prolonged consideration of the case, and a re-argument in respect to recent legislation, the appeal of Gold Seal, Ltd., was dismissed in a judgment issued by the Supreme Court on Oct. 18—Mr. Justice Idington dissenting. The costs of the appellant throughout were ordered to be paid by the Dominion Express Co. During the Election campaign in July the question of a Government closing of the Liquor Warehouses was raised in Calgary and a legal opinion received from H. H. Parlee and S. B. Woods, K.C., that: "If bonded warehouses exist in the Province, the Attorney-General has no power to prevent them or close them up; this is a matter entirely under the control of the Dominion authorities."

On Nov. 9 a Delegation from the Alberta Medical Association waited on the new Government and asked for a reduction in the number of prescriptions allowed and Government co-operation in dealing with members of the Association who should break the law; Hon. J. E. Brownlee, Attorney-General, intimated probable changes in the law along the lines suggested. At Drumheller (Nov. 14) 9 offenders against the Act were fined a total of $1,500; on Nov. 17, Mr. Brownlee was asked by a delegation from the Alberta Pharmaceutical Association to release druggists from all dispensation of liquors; on the same day a Brewers' delegation asked that the Liquor Act be altered to allow the sale of beer and light wines along the lines of Quebec legislation; both organizations were informed that legislation was being considered by the Government. At a Convention of the Social Service Council in Edmonton on Nov. 30, the Judiciary of Canada was attacked by Secretary H. H. Hull for what he called their "apparently biased decisions" on liquor cases; he suggested impeachment proceedings and removal from their high offices and demanded an investigation into the decisions of Hon. M. S. McCarthy of the Alberta Bench. There were other strong statements made. By an almost unanimous vote, the G. W. V. A. of Alberta, on Dec. 16, passed a Resolution declaring that existing conditions were "most unsatisfactory and detrimental to good law and order" and asking for a Plebiscite upon the question: "Are you in favour of the sale of beer of an alcoholic strength of 3½ per cent. by weight?"

Session of the Legislature in 1921. The 4th Legislature of Alberta met in its 4th Session on Feb. 15, and was opened by His Honour, Dr. R. G. Brett, with a Speech from the Throne which expressed regret at the death of the Rt. Hon. A. L. Sifton, for many years Premier of the Province, and of Hon. A. G. MacKay, the late Minister of Health and Municipal Affairs;

referred to the Government's plans for (1) a thorough revision of the curriculum of Elementary schools in keeping with the best modern educational practice and suited to the varying needs of Alberta children, (2) for increasing the efficiency of the rural schools and (3) for providing increased opportunity for High School education in rural districts; mentioned the strong financial position of Alberta as demonstrated in the success of recent Loan flotations, and by popular investments in the Alberta Savings Certificates; stated that the expenditures had increased but that revenues continued buoyant with the Province able to meet all legitimate public requirements; announced the Government's intention to establish a permanent Home for the Feeble-minded and that three new Schools of Agriculture—at Raymond, Gleichen and Youngstown—had been completed and equipped; referred to the progress in construction of public highways, extension of the Telephone System, and transfer of the Edmonton Dunvegan and B. C. Railway to the C. P. R.; mentioned the Government's policy of support to Research work and its agreement with the University of Alberta for the carrying on of Specialist work in various classes of research—especially Industrial.

The House, at this time, consisted of 58 members with Hon. C. S. Pingle as Speaker and the Government had 34 Liberal supporters, while the 2 Non-Partisan members, 1 United Farmer and some Independents gave it a fairly assured support against the Conservatives who constituted the regular Opposition and who were led, as to 10 of the members, by A. F. Ewing, K.C., of Edmonton; another group of independent Conservatives composed of George Hoadley, Okotoks, Dr. G. D. Stanley of High River, Brig.-Gen. J. S. Stewart, D.S.O., of Lethbridge, and three or four others would accept no definite leadership and acted as Independents. The Address was moved by George Mills, Athabasca, and F. S. Leffingwell, of Warner; while the House gave a special greeting to Mrs. Harvey Price, who had been elected as Miss Roberta MacAdams—the first case of a member changing her name in this manner. The Address was passed without discussion—a rather unusual incident. The Session which followed was an arduous one, with 96 Bills presented and considered in nine weeks of time; the Elections were looming into view and members were anxious as to public opinion; the debates on Natural Resources and the Budget were long and weighty.

The legislation included the important Lethbridge Northern Irrigation measure, which was presented after prolonged and doubtful consideration and cautious investigation by the Government. The Bill was wide in scope and provided for a full Provincial guarantee of Debentures for Irrigation schemes, under special conditions, and receiving the endorsation of Government engineers. The Legislature gave unanimous approval to the policy and sanctioned a Bill to assist the Lethbridge Northern District by a guarantee of bonds to the extent of $5,-

400,000. The Vital Statistics Act was amended to make the Deputy-Minister of Health, Registrar-General, and to authorize appointment of a Deputy with specific powers in giving burial permits and enforcing registration. The Insurance Act was amended to produce yearly statements as to agents employed; the Gaols and Prisons Act to regulate the use of money given prisoners, on leaving, for some specific use; the Venereal Diseases Act to take away the Board of Health right of physical examination except in the case of persons under arrest or in custody.

The Savings Certificates Act was amended to permit the issue of certificates up to $5,000,000 at a rate of interest not to exceed 5 per cent. per annum and authorizing the Government to issue Provincial bonds for raising money to redeem Saving Certificates and to determine the form of such bonds and the rate of interest payable thereon. An Act was passed giving the Provincial Board of Health power to make rules and regulations for the licensing, construction, maintenance, operation and inspection of, and provision for, medical attendance at Maternity Homes with, also, the licensing of midwives. The Nurses Act was amended so that every applicant for registration after May 1st, 1921, (a) should have received at least three years' training in medical, surgical and obstetrical work at a general hospital or hospitals recognized by the Senate of the University of Alberta; (b) should have passed the qualifying examination required by the Act and (c) have paid the fees of $5.00. The Agricultural Societies Act was changed so that a new Society could not be formed unless its chief place of business was 25 miles from that of any existing Society with payments of grants amended so as to give to each Society of over 100 paid-up members 50 cents per member up to 200 members; to each Society holding an exhibition the grant was 60 per cent. of the amount actually paid out for prizes, but not exceeding $3,000, with a grading of the grant in various other connections.

The Irrigation Districts Act of 1920 was amended to enact that Trustees must be British subjects; that any amount borrowed should be paid out of the Irrigation rates for the year and should, after payment of the amount falling due to Debenture holders, be first charge thereon; that any temporary loan could be guaranteed by the Government without any further authority than was provided by the Act; that proceeds of the sale of Debentures could be deposited with the Provincial Treasurer and invested in Provincial securities; that the Irrigation rate should be imposed upon each parcel of land within the District in respect of each acre therein to be irrigated as shown by the last revised Assessment roll for the District. The Act respecting Drainage Districts was an elaborate law in 165 sections. Its provisions, generally, were similar to those of the Irrigation Districts Act, the chief difference being that the Irrigation rates were collected by the District and Drainage rates by the municipalities. A District could be formed on a

petition to the Minister, in a given form,signed by the registered owners of at least one-half of the proposed area to be included, and accompanied by a sum, or bond, sufficient to cover preliminary expenses. After investigation, the Minister would take a vote as to formation and for the election of a Board of three Trustees who must be voters of the District, 21 years of age, and British subjects. A Drainage Council would then be appointed by the Government with advisory powers as to assessments, contracts and the issue of Debentures.

Amendments to the Supplementary Revenue Act assigned certain special powers to the Assessor and enacted that if the total equalized assessment as fixed by the Board, differed from that fixed by the Assessor, the difference should be distributed by a *pro rata* raising or lowering of the assessment of the land in question. The Minister was given authority to compromise arrears of taxes on lands, which had been sub-divided, whether the plan was cancelled or not. The Wild Lands Act was amended as to exemptions and the authority of Municipalities to levy and collect taxes on local land. An Act Respecting the Taxation of Land for Educational purposes, enacted that all land not exempt should be annually taxed three mills on the dollar of its assessed value; the tax on any parcel containing at least one acre in any Subdivision was to be at least two dollars; the tax in respect of any parcel of land containing less than one acre in any Subdivisioin was to be at least 25 cents; every occupant of land exempt from taxation would be annually taxed three mills in the dollar of the assessed value of the land occupied by him while every occupant under grazing lease or permit was to be taxed 1½ cents per acre of the land so held.

Another measure provided for the compulsory maintenance of children up to 16 and poor persons. The husband, wife, father, mother and child of every old, blind, lame, mentally deficient or impotent person, or of any other poor person who was not able to work, was to provide maintenance including food, clothing, medical aid and lodging for such person. The father and the mother of every child under the age of 16 must provide maintenance for such child. The Government was authorized to raise, by means of Loan, the sum of $7,500,000—$4,255,000 for extension of Telephone service and $3,000,000 for the Public service. The Municipal Hospitals Act was amended to give the Minister of Health power to appoint and pay Nurses; the taxes payable in Hospital Districts and certain Debenture rights were more clearly defined; the Hospital Ordinance was, also, amended in a number of details.

The Reclamation Act was amended and the consent of two-thirds of the owners residing on lands to be benefitted was done away with in respect to Reclamation work initiated by the Province; but each private owner was made chargeable as to original costs and costs of maintenance in respect to each parcel in proportion to the estimated benefit as shown on the Assessment

roll. Acts were passed confirming the Agreements as to the E. D. and B. C. and the A. and G. W. Railways. Licenses, by another amended Act, were increased upon Shows, Circuses, etc., to range from $10 to $250 according to the number of cars used in transporting them from place to place. The Act respecting liens on goods and chattels enacted that every person should have a particular lien for the payment of his debt in respect to a chattel upon which he had expended his money, labour, or skill at the request of the owner; so with every warehouseman upon property stored with him, for his proper charges; every wharfinger on the goods entrusted to his keeping, for his lawful charges, and so on. Under the Sale of Public Lands Act, the Minister in charge was authorized to sell by public auction at such upset price or reserve bid, and on such terms and conditions, as were fixed by Order-in-Council, any public lands and to give receipts, agreements of sale and transfers therefor. The Jury Act was amended in various details—one of which made a summons upon a woman to act optional upon her willingness to do so; the Game Act, also, was changed in various details, as was the Municipal District Seed Grain Act; an Act was passed to aid by Government guarantee the Debentures of 4 Drainage Districts to a total of $587,000; the Amusement Tax Act was amended as to rate of taxes on admission to theatres, etc.; the Village Act and the Town Act were variously amended, as was the Municipal Districts Act.

A new measure provided for the legal registration of names for Homes. The Co-operative Act was amended so that 20 per cent. of the stock subscribed must be paid up each year and empowering the Government to guarantee to the full amount any security, obligation, or financial undertaking given or taken by a Co-operative Society after May 21st, 1921. The Tax Recovery Act was amended as to summer resort villages and the selling of land acquired by a municipality under Tax sales; the Lacombe and North-Western Railway Co. Act was extended to permit of 125 miles of further construction with a Government loan of $150,000; the Live-Stock Encouragement Act was amended so that the Department of Agriculture should have a charge upon the real and personal property, within the Province, of every purchaser, as security for the payment of any promissory note, whensoever given by the Association of which he was a member, and the Minister was given power to take possession of any such property and to sell the same under specified conditions.

Amendments to the Municipal Hail Insurance Act enacted that, unless specially exempted, all within the Hail Insurance District should be insured against loss or damage by hail and be liable to assessment; representatives were to receive $6.00 per day instead of $4.00, and the Board was given power to reinsure; every owner or occupant must, before the 15th of June, send in a crop report on a prescribed form. The School Ordinance was amended to provide for the consolidation of two or more rural school districts and other districts, for the purpose

of establishing and maintaining a School for the education of pupils who had completed Grade VII or Grade VIII of the Public School course—the school to be known as a "Secondary Consolidated School." The measure also provided for the appointment of a Board of Conciliation to enquire into and investigate any disagreement or dispute arising between teacher or teachers and any Board of Trustees—where the dispute related to the proper carrying out of the contracts entered into between the Board and such teacher or teachers.

The School Assessment Ordinance was, also, amended to provide for the support of new rural High Schools, by authorizing the Board of Trustees to cause to be apportioned annually among the school districts, included in such consolidated district, the amount required for school purposes during the current year. The School Grants Act was amended by providing an additional grant of 50 cents per day to each rural district operating only one room if instruction was given therein in grades above the 8th by the written authority of the Inspector of Schools. The Government Telephone Act was amended to provide that the accumulated surplus of all years prior to 1921, and of each year thereafter, should be transferred to a Reserve Trust Fund and deficits for any year be deducted from the surplus of any succeeding year before such transfer was made. Another Bill authorized the Government to raise by loan $600,000 to extend the Central Canada Railway westward from Peace River a distance of 25 miles.

This mass of legislation was involved in 72 new Acts, of which 48 were amending Bills and 24 entirely new; it was, essentially a working Session, though the Natural Resources matter had a prolonged discussion. This began in a Resolution moved by A. F. Ewing and J. H. W. S. Kemmis, on Feb. 22, declaring the people of Alberta to be entitled to their lands, mines and other natural resurces now held by the Dominion; protesting against these resources being "unjustly withheld to be exploited by any political party at Ottawa"; urging constant action for the surrender of this public domain of which the Province was "unfairly and unjustly deprived." The matter was debated until Mch. 7 and strong exception was taken to the charge of exploitation directed against Ottawa and to that of unfairness and injustice. Hon. C. R. Mitchell and Hon. J. R. Boyle of the Government moved an amendment expressing satisfaction at the efforts of the Alberta and other Western Governments in this connection and at the definite promise, said to have been given by the Dominion Premier (Mr. Meighen), regarding its settlement. J. G. Turgeon (Lib.) and James Weir (Non-Partisan) moved a further amendment to this which was finally passed by 33 to 12 and made the Resolution read as follows:

This House declares that the people of Alberta, to the same extent and in the same manner as the people in the other Provinces, are entitled to the lands, mines, minerals and other resources within the area, and to enjoy the full benefit thereof, as well as to administer the same

for the advantage of its people; and emphatically protests against our Natural Resources being withheld. This House urges that constant and continued application to, and negotiations with, the Dominion Government be made for the surrender to the Province of the Public Domain within its boundaries. This House further declares that the Province is entitled to the immediate transfer of our Natural Resources on fair and equitable terms, having regard to the alienation of lands for Federal purposes, and taking into consideration subsidies paid in lieu of lands. This House is pleased to note that the Prime Minister of Canada is endeavouring to effect a settlement of this question at the present time.

Incidents of the Session included the withdrawal of a Bill by Hon. Mr. Boyle which proposed the creation of a Minimum Wage for women—because of opposition expressed by Alex. Ross (Lab.), who wanted it to define the hours of labour; Mrs. Roberta Price, who wanted it to put upon the Board a representative of the future Women's Labour Unions; W. M. Davidson (Lib.) who thought it did not meet existing conditions. There was, later in the Session, the success of Mr. Boyle in carrying an amendment to the Factories Act under which a permanent Minimum Wage Board for Women could be established as an official continuation of the Enquiry Commission appointed in 1920; the statement by Hon. Mr. Mitchell, on Apr. 2nd, that there was $3,000,000 invested in Savings Certificates, that there were always more deposits than withdrawals, that at 5 per cent. it provided the cheapest public money available, and that he hoped that these certificates would be converted into 10-year gold bonds of the Province; the keen discussion over the Imperial Oil Company's subsidiary, the Imperial Pipe-Line Co., which asked power to construct pipe-lines for the transmission of oil, gas, etc., through the Province—the outside opposition of the U. F. A. as expressed by Messrs. Wood and Greenfield, and the withdrawal (Apr. 18) of the Bill as the result of proposed restrictions.

W. R. Rae, who fathered the Bill, stated, on Apr. 18, that the Imperial Oil Co. only asked for privileges which should be accorded to any producer of oil—the right, at its own expense, to transport crude oil, when discovered, in the most convenient and economical way, to a refinery to be made into useful products—with the further assertion that: "The Company has expended $3,000.000 prospecting and drilling in Alberta, Saskatchewan, and the N. W. Territories, and has asked the Legislature for permission to construct pipe-lines at its own expense and has gone so far as to agree that these lines shall be common carriers of oil to the extent that their capacity is not used by the Company for its own products." There was provision, by amendment to the Elections Act, that the next Legislature should consist of 61 members with 5 each in Calgary and Edmonton, elected at large, and 2 in Medicine Hat. The Legislature was prorogued on Apr. 19th and, following this, the Liberal members presented Mr. Premier Stewart with a handsome gold watch and chain, as a token of their appreciation for the capable and considerate manner in which he had led the House during a trying Session.

Financial Affairs in Alberta; Educational Interests and Progress.

Provincial finances in 1921 were not exactly comfortable under the set-backs of the year, but, despite these incidents of a difficult period, the 90,000 farmers of Alberta had a record production which warranted faith and optimism. Over a seven-year period, they had produced 310,702,446 bushels of Wheat valued at $460,973,560, and 569,250,585 of Oats worth $274,038,773; the 12,000,000 acres under cultivation was only a small portion of the 100,000,000 available; the average production per farm per annum was $2,500 and, in 1921, the farmers of the Province bought over $2,000,000 of Alberta bonds and invested $1,500,000 in Provincial Savings certificates; the average mining product was $30,000,000 a year and over 4 times what it was a decade before. The Assessable property within the Province was, at this time, $725,886,555.

Early in the year the Provincial Treasurer, Hon. C. R. Mitchell, had sold a $2,000,000 issue of 6 per cent., 15-year bonds, payable in Canada, at 96·42, for Telephone construction purposes; Lethbridge Irrigation bonds were disposed of during the year to a total of $4,400,000; in September an issue of $2,225,000, 20-year, 6 per cent. bonds were sold in Canada with 25 Bond houses represented in the tenders; at the same time, another issue of $2,100,000, 6 per cent., 10-year gold bonds was disposed of in New York. Mr. Mitchell was cautious in his outlook, and at the January Convention of the U. F. A. expressed frank disapproval of the Government Savings Bank idea; the Alberta Government had concluded not to open up agencies as in Manitoba because the cost of doing so would be, relatively, too heavy and the amount of money collected inadequate, he believed, to supply the desired funds. As to the Rural Credit Societies in Alberta, the Government was prepared to assist them when once started and operated; he hoped, through the aid of the Banks and a larger Government guarantee, to obtain the necessary funds. This better guarantee was given and, on Oct. 31, 1921, 77 Societies were in operation with a credit of $270,000.

Mr. Mitchell, in his Budget speech (Mch. 11) was able to state that the Province could carry on for another year on the existing basis of taxation; that the calendar year 1920 showed a Surplus of $496,420 on ordinary revenue and expenditure; that the Receipts were $10,919,776 and the Expenditures $10,423,356; that $2,508,465 had been received in collections of municipal taxes; that the Telephone business, on ordinary account, had an income of $1,913,913 and an expenditure of $1,879,303, with a net surplus of $34,610; that the Receipts from Government Liquor business were $3,283,150 and the proportion received by the Provincial Treasurer $633,000; that the Revenue from all sources, including capital funds, showed a total of $15,881,106 with a total expenditure of $15,358,056. The general Income account included Dominion Subsidy of $1,621,075 and from School Lands $692,028; Savings Certificates $2,823,150, Tempor-

ary loans $500,000, and sale of Debentures $3,279,833; Succession Duties $273,179 and Taxes on Insurance and Corporations $403,204; Motor Vehicles Act $656,556 with Mine Owners' and Railway taxes $391,831; Court fines and Legal fees and Land titles fees, $1,095,302; Liquor Vendors' Trust Account $501,476 and Department of Agriculture $1,415,617—including $1,239,253 as Sale of Hay under the Drought Relief Act; Municipal taxation $2,516,368. The Telephone Department Receipts were $7,796,398, which included $1,832,887 from Fees and $6,026,585 from Loans.

The chief items of Expenditure were $1,568,106 on Public Debt and $811,568 on government and legislation; $1,405,510 on Administration of Justice and $1,608,231 on Public Works; $1,785,163 on Education and $544,256 on Agriculture; $367,104 on Public Health and $1,879,303 on Telephones. For 1921 Mr. Mitchell estimated the ordinary Revenue at $12,778,879 and the current Expenditure at $12,736,294, or a Surplus of $42,585 with an increase in both respects of $2,000,000. A reference was made to Irrigation conditions with the statement that if the Province had possession of its natural resources it might have considered a plan to help the farmers who could not be helped by Drainage, or Irrigation projects, so as to "arrange for their removal to new locations in vast districts not now occupied, where crop failures seldom occur, and thus permit the dry areas to revert to the use which nature intended—viz., live-stock raising." The actual Receipts for 1921 were only $11,086,936, while the Expenditures were $13,109,303; at the same time the gross Public Debt had increased by $17,020,356.* The year had been a depressing one in many respects and not the least of Government difficulties was this one of finance. On Mch. 31, after three weeks of discussion, the Budget was finally disposed of. It may be added that the gross Bonded Debt on Dec. 31, 1920, was $41,989,900, less Sinking funds of $1,231,159, and that the Assets were stated at $149,248,246, including Telephone plant $15,584,349; Public buildings, roads and bridges, $17,700,000; Deposits, etc., with Dominion Government $21,000,000; and estimated value of unsold School lands $81,967,000.

Meantime, Municipal conditions were in an unusually difficult position; as in Saskatchewan, some of the cities and towns were having trouble with their obligations and a few, like Athabasca, defaulted in payment. Government legislation during the Session had provided for the appointment of an Administrator to look after the affairs of any municipality defaulting in its obligations, or with the local Council refusing to carry on; the Government took a different view from that of Saskatchewan and believed that the Province at large had a moral obligation in respect to the Bond sales of municipalities and school districts. The Government was authorized to expend, through their Ad-

*Note.—Public Accounts for 1921 presented by the Premier (Mr. Greenfield) to House on Feb. 28, 1922.

ministrator, a yearly sum of $20,000 in discharge of special municipal liabilities. Some years before this, the Legislature had adopted the definite policy of preventing default in School bonds, and these securities remained strong on the market as a result. During 1921 many municipalities awakened to the fact that they had spent more for improvements than they could afford to pay; they had expected more development than actually occurred and had spent more money to accommodate this development than the coming of the War made desirable.

In this connection, the Province was making a strong effort to meet its Municipal tax problems. An Assessment Equilization Board, appointed in 1920, with J. H. Lamb as Chairman and A. J. H. Donahoe, W. T. Jackman, W. D. Spence, and S. B. Ferris as members, had been, for nearly a year, closely studying the conditions; its Report, early in 1921, urged drastic changes in the assessments and, especially, as to urban municipalities—the Government having, meanwhile, taken steps to divide municipal property into urban and rural zones. The Report stated that the Province, with its 255,288 square miles, had an acreage of 163,384,000 and a surveyed portion, at the end of 1919, of 85,147,816 acres. The average value of land assessed as acreage on the equalized basis fixed by the Board would be $15.49 an acre. It was pointed out that if this were capitalized at 8 per cent., it would require, from every acre of assessable land in the Province, an average possible income of $1.24 per acre, or $199.40 a quarter-section of 160 acres. The 120 villages of the Province were said to have a total locally-assessed land value of $7,415,515 —this being reduced by the Board to an equalized assessment of $4,964,877. The cities it was proposed to revise as follows:

City	Total local Assessed Value	Total equalized Assessed Value
Calgary	$52,576,694	$45,000,000
Edmonton	61,891,965	45,000,000
Lethbridge	6,463,185	5,100,000
Medicine Hat	9,213,395	5,300,000
Red Deer	2,237,060	735,000
Wetaskiwin	1,207,922	720,000

Financial incidents at the close of the year, and under the new Government, included a Delegation from the Mortgage organizations, interested in the West, urging more care in safeguarding investments in Mortgage loans; protesting against any interference with Mortgage contracts such as was said to be involved in liens on farms for seed grain advances, noxious weeds, telephones, etc., or with a mortgagor's right to sue; protesting, also, against the existing system of processes, which were described as too expensive. This was followed by arrangements for a conference as to possible changes in the law. There was the calling of a temporary halt in the advances under the Act to assist farmers in buying Live-stock with a present total of $1,700,000 re-payable in 1922; the carrying on of re-funding operations in London designed to take advantage of the current Exchange conditions with $700,000 of 20-year, 6 per cent. bonds

offered in Detroit to provide the necessary funds; the declaration by Mr. Premier Greenfield, on Dec. 14, that he did not believe it possible for the Provincial Government to bring into effect, at present, or with beneficial results, the Alberta Farm Loan Act passed by the Legislature in 1917 and not yet brought into force; the Government's decision to have a complete audit of the books and accounts of the Province which would cover all Departments and branches of the Service—with two well-known firms engaged to do the work. A bright feature in 1921 conditions was the continued purchase by Alberta farmers of the Savings Certificates issued by the Government. Since it was inaugurated, in 1917, the policy had been carefully and well operated by W. V. Newson, Deputy Provincial Treasurer, with the following results:

Period	Sales of Certificates	Withdrawal of Certificates
8 months, 1917	$ 403,638.54	$ 27,440.19
12 months, 1918	1,162,614.43	518,820.36
12 months, 1919	2,012,733.14	1,331,704.05
12 months, 1920	2,823,150.93	1,656,410.55
4 months, 1921	1,855,139.29	1,123,495.11
Totals	$8,257,276.33	$4,657,870.26

Educational Interests of Alberta. The Hon. George P. Smith, Minister of Education since 1917, in his 1920 Report, issued on Jan. 30, 1921, reviewed recent conditions and the value of certain policies initiated a couple of years before: "These policies have had to do with several matters of fundamental importance—such as the improvement in the standards of qualifications of teachers; the increase in the supply of teachers; the introduction of new types of school organization for rural districts; provision of High School opportunity for rural children; special efforts amongst non-English-speaking people. The carrying out of these policies involved the erection of new buildings and the providing of additional accommodation in many ways. The extraordinary cost of labour and materials has made the effort a very trying one, but in spite of unfavourable conditions, substantial progress has been made and the new policies can now be said to be firmly established."

The Minister stated that training of teachers for 3rd class certificates had been definitely abandoned and that no student could enter with lower than a grade XI High School standing; that to make this standard possible Government loans to cover cost of Normal School training were necessary and the desired result had been attained—in reducing permits by one-third; that the shortage in teachers, running as high as 1,600, had apparently passed with, at the close of the School-year, 4,300 schoolrooms all supplied and only 304 Permits in a six-month period; that much good had followed the elimination of fees for non-resident children attending existing High Schools, and by generous grants to the senior rooms of two-room schools and consolidated schools; that, during the past two years, 60 Teachers' residences or houses had been built and were proving of great

value; that every school was now under inspection and most of them twice a year; that complete plans were in hand for securing a thorough revision of the Course of Studies for the elementary schools—including a course in Citizenship; that the Department had received co-operation from all classes of people and organizations.

J. T. Ross, Deputy-Minister, submitted an elaborate Report upon all phases of Education and declared that one of the most noticeable features during the year was the demand for a better and more advanced type of rural school: "This demand is associated with a similar demand for a more highly-trained teacher with maturity of scholarship and experience who, instead of being a transient, will be a permanent resident of the community." Out of this feeling and need had grown the rural High School policy. The official Statistics of 1920 included an estimate of 1,800 square miles organized into School Districts during the year with a total of 3,553 compared with 602 in 1906; the formation of 4 Consolidated Schools with a total of 67 and the declaration that they were a great improvement on the ordinary rural school; the enrollment of 121,567 pupils (1919) compared with 24,254 in 1905, and the engagement of 4,902 teachers compared with 924; Government grants of $1,018,068 in 1920 as against $170,315 in 1906 and payment of $3,560,319 in Teachers' salaries compared with $386,107.

The Schools of Agriculture and the Summer School for Teachers, with 370 in attendance; the Educational Conventions at 12 centres during the year; the Edmonton Normal School with 116 in attendance, all helped to create the efficiency of the system. E. W. Coffin, Principal of the Normal School, Calgary, reported an attendance of 314 and many important activities; the Normal at Camrose had 18 students. The Chief Attendance Officer stated that, during 1919, 273 preliminary letters were written to parents and guardians and 5,687 warning notices sent with 300 prosecutions and 290 convictions. G. W. Gorman, Chief Inspector, reported at great length as to general conditions; the School Libraries were stated to number 2,798 in as many Districts and, in 1920, 2,235 school districts received consignments of books while W. H. Noble, Manager of this Branch, distributed, during the year, 831 Union Jacks to Schools which did not possess a flag and, in 7 years, had distributed 624,859 volumes amongst the Libraries specified above, out of his average yearly grant of $39,527; the distribution of Free Readers totalled, during the year, 95,806.

D. A. Campbell, Director of Technical Education, stated that Federal aid was given to promote industrial, technical, and commercial education and amounted to 50 per cent. of the expenditure made by each of the Provinces for such purposes. The total amount received by Alberta during the calendar year 1920, when payments were first made by the Dominion Government, was $28,668. For 1920-21 $47,050 was available, with $13,000 car-

ried forward from 1919-20. The newly-organized Provincial Institute of Technology and Art at Calgary had an enrollment, on Jan. 15, 1921, of 446 in all Courses, which included railway, architectural and mechanical drafting; telegraphy; motor and tractor engineering; steam and mining engineering; applied mathematics and machine shop practice. The number of Pupils in Alberta Schools (1920) was 135,750 and the total attendance 75,864 in graded schools and 59,886 in ungraded schools; the number of School Districts was 3,154 on Dec. 31, 1920—an increase of 92 in the year; the schools in operation totalled 2,826 and the Departments 4,289; the total Receipts from all sources for Education was $11,664,545, and the balance on hand (Dec. 31st) $1,020,216; the Assets of all School Districts were $23,745,614 and the Debenture Debt $10,476,486.

Educational incidents of 1921 included a Deputation to the Minister (Feb. 18) representing 25 Councils and Boards asking that Provincial grants for High Schools be increased to approximately 50 per cent. of the cost of maintenance, and a speech by Hon. Mr. Smith in the Legislature, on Mch. 16, announcing a higher grant, generally, to High Schools in the Province. He outlined a proposal to establish consolidated secondary schools and declared that the teacher supply problem in Alberta had improved 50 per cent. over the same period 12 months before. Increased financial grants to Schools were described on Mch. 16, which the Minister summarized as follows: (1) The regular statutory grants to schools through ordinary growth by, probably, $125,000; (2) additional aid to weak rural districts estimated at $100,000; (3) Provincial University increase, $100,000; (4) increased encouragement for High School education $50,000; (5) Edmonton Normal School, full year, $25,000; (6) Technological Institute in Calgary, $25,000; (7) increased cost of School Inspection, $35,000; (8) increased cost of Free textbooks $35,000; (9) examinations increase $10,000. The Government's expenditure on Education for 1921 was put at $2,500,000, of which $500,000 went to the University of Alberta. On June 22, with much ceremony, Hon. G. P. Smith, as Minister of Education, with the Premier, members of the Cabinet and the Legislature, opened at Calgary the new Provincial Institute of Technology and Normal School. Then came the Elections and the retirement of Mr. Smith accompanied, on Nov. 7, by the presentation of an artistically designed Address with a stirling silver tea service and tray, by a gathering representative of the educational life of Alberta. His successor, the Hon. Perrin Earle Baker, B.A., was a graduate of McMaster in Toronto.

An interesting event of the year was the dispute between the Department of Education and the Alberta Teachers' Association. The latter organization, at the close of 1920, had sent out to the Teachers of the Province, without submission to the Department, a contract form which all were urged to insist upon in their dealings with School Boards and the Government.

Speaking to a Conference of Inspectors and others at Edmonton, on Jan. 7th following, Mr. Smith said: "I will not be stampeded into foolish and dangerous steps that are being agitated for by a handful of radical people. Rather than fix a minimum wage for teachers of $1,200 a year, I would resign to-morrow, for I know that this can never be done without immediate and lasting injury to the teaching profession." At the Provincial Convention of Public School Trustees in Calgary, on Feb. 2nd, the Minister made a notable speech in which he said that there was no opposition to any organization of Teachers, as such, but that the Department, for two years, had submitted to unfair criticism, attacks, and charges from this Teachers' Alliance—which was distinct from the Alberta Teachers' Educational Association: "No one deplores this more than I, because I feel that it is unfortunate for the schools, for the children and for the cause of education, which I have at heart. The teachers are not to blame; every day we get letters from teachers complaining of intimidation. It is only a few individuals who want domination, not recognition, and who want the Department of Education to abdicate and School Boards to follow suit, and who, when they can't get what they want, go out to make trouble."

On Feb. 15 the Alliance, for the second time, asked the Edmonton School Board for permission to send two representatives to the regular Board meetings and were refused, after a heated debate; on Mch. 21 representatives of the Alliance waited on the Trades and Labour Council and claimed that the High School teachers of the City had only received a net increase in salary, over the 1914 schedules, of 3 per cent. and must have increases totalling $58,000. The Alberta Teachers' Alliance met in Convention on Mch. 28, with H. C. Newlands, of Edmonton, presiding. In his speech, the Chairman claimed that the $1,200 minimum for teachers' salaries was practically in existence to-day, and was largely due to the efforts of the Teachers' Alliance; that the organization had assisted the rural teacher and had a good record for adjustment of disputes; that, as teachers, they believed they were on a wrong scale of remuneration in view of their training and the importance of their work.

J. W. Barnett, Secretary, stated that the Alliance had carried on, during the year, a campaign of education and propaganda which sought to prove that Educational success was dependent upon higher remuneration for the teachers; he stated that the membership was 1,970 or a gain of 207 in the year. Mr. Newlands was re-elected President, C. H. Peasley, Medicine Hat, Vice-President, J. W. Barnett, Edmonton, Secretary-Treasurer; T. E. A. Stanley of Calgary was past President. A Resolution was approved urging the appointment of a Dominion Minister of Education with a view to forming a National Educational policy, and suggesting a Dominion Commission to investigate the salaries of all teachers in primary and secondary schools. The Alberta Educational Association met in Edmonton on the 29th,

with T. E. A. Stanley in the chair. He declared, in his address, that University education was for the benefit of a few people, and if the University was to be of any use, the system must be decentralized; there had been far too much of this in Educational institutions and the High Schools must be brought within the reach of all; if necessary dynamite should be used to throw out the old method of centralization.

He expressed the strong belief that a language other than the mother-tongue, should be learned by all pupils; that if it was worth while to learn another language, such should be done before the child had lost the "language sense"; that this other language should be French, with the Universities looking after German and Italian. Mr. Newlands also spoke, and the Minister of Education followed. As to salaries, Mr. Smith stated that if there was to be any permanent and uniform betterment in the salary situation, it must be based on larger Government grants; that there was no uniformity in the taxes collected from School Districts; that, during the past three years, there had been an increase in the Educational budget of half a million each year, and that this year it was $550,000 more than in 1920. Miss Mary Crawford, Edmonton, was elected President, H. A. Carr, Calgary, 1st Vice-President, and H. Greenfield, Westlock, 2nd Vice-President. A Resolution was passed which expressed appreciation of the valuable work that the Department of Education had undertaken in the revision of the Public School Course of Studies.

Following these varied discussions, the Public School Board, Edmonton, on Apr. 9, received notice from the High School Teachers' Alliance of the City that the teachers there would cease work on Apr. 11 as the result of the Board's refusal to meet their representatives upon salary increases. The Board at once looked out for other teachers, and on the 12th had 11 engaged, with others obtained as time passed. A meeting of citizens was held and asked the teachers to return to work; the subject was discussed in all kinds of public organizations and even by the pupils at the schools—one petition of 86 children stating that they had "no confidence in the new appointees"; the School Board offered to appoint a Conference Committee if the teachers would return to work, but the Alliance preferred arbitration; on Apr. 24 the strike ended in acceptance of the Conference Committee proposal.

The University of Alberta. This important Provincial institution was first opened in September, 1908, with 4 professors and 37 students, and, by June 30, 1921 had grown to a position of fifth in size among the Universities of Canada with 5 fully organized Faculties, 122 members on the Staff, and a Student body of 1,106. The 11th annual Convocation was held on May 12, and 105 graduate degrees conferred on students and 7 post-graduate, as well as the Honourary degree of LL. D. on Sir J. A. M. Aikins, Lieut.-Governor of Manitoba. With the opening of the College year 1920-21, there were a number of new appointments and promotions, to Professorships: J. MacG. Smith, B.S.A., Agricultural

Engineering; A. W. Downs, M.A., M.D., Physiology and Bio-chemistry; C. P. Marker, Dairying; R. K. Gordon, M.A., PH.D., English; A. L. Burt, M.A., History; S. D. Killam, M.A., PH.D., Mathematics; C. A. Robb, B. SC., Mechanical Engineering; and, in November, Lt.-Col. F. H. Mewburn, O.B.E., M.D., LL.D., Surgery.

At the beginning of the Autumn term, the Faculty of Law opened as an organized department, in accordance with a Provincial enactment of the preceeding Session, and gave students the opportunity to obtain the degree of LL.B. in a 3 years' course or the degrees of B.A., LL.B. in a 6 years' course. The 1920 annual Report of the University was submitted to the Government in March by the President, Dr. H. M. Tory and showed a total expenditure of $777,958, and Revenue of $768,873, with Assets of $3,834,166 and Liabilities of $3,550,000 in Debenture issues which matured in 1924 and 1925. Hon. G. P. Smith, Minister of Education stated in the House a little later, that the total capital expenditure on the Institution had been $3,174,000 with maintenance, for its 12 years, costing the Government $1,745,000. The Department of Extension under Prof. A. E. Ottewell was an important side of University work in the Province, and, during the year ending June 30, 1921, 275 Extension Lectures were given, with an aggregate attendance of 32,285 and an average attendance of 119; exchanges of Travelling Libraries were made 398 times in 224 communities, with an aggregate recorded circulation of 17,320. Besides this 3,572 volumes were circulated from the Open Shelf or an average of 297 per month, and Visual Instruction was given by means of Lantern Slides, 1,044 sets being sent out and shown to audiences of approximately 125,000 people as well as 217 sets of Moving Picture films, which were shown to about 25,000 people.

During the months of July and August, 1921, the University Equipment was given over for a Teachers' Summer School with 74 registering. The 3rd Annual University week for Young Farm People was held on June 8-14, and 164 attended from all parts of the Province with a programme made up of agricultural demonstrations, physical education, lectures in citizenship and general subjects. An incident of importance durin the year was the election of the following, on May 30, as Senators of the University; Dr. R. B. Wells, Edmonton; Dr. Charles E. Smith, Medicine Hat; W. M. Davidson, M.L.A., Calgary; J. D. O. Mothersill, Edmonton; W. Dixon Craig, Edmonton. The University received a number of Donations and Scholarships at this time, including the Moshier Memorial Medal in memory of the late Lieut.-Col. H. M. Moshier, Professor of Physiology in the University, who had been killed in August, 1918, and which was presented by the Volunteer Overseas Medical Officers' Association of Edmonton; two Scholarships of $150 each—one from Patrick Burns, of Calgary and the other from an unnamed returned soldier; the Rockefeller Foundation gift, of $25,000, for the School of Medicine; $12,000, to found a fund to memorialize the work of the Khaki University and the Y.M.C.A. Overseas, received from the Khaki University Funds; a collection from the late Rt. Hon. A. L. Sifton, through the Hon. Charles Stewart, of all the confidential documents received by him during the Peace Conference; and $2,000 from Sir James Aikins, Lieut.-Governor of Manitoba to found a Scholarship in English language and literature. Other incidents during the year were the award of the Rhodes Scholarship in Alberta for 1921 to G. V. Ferguson, and the 4 months' Expedition of a Fossil-hunting party from the University, which obtained 25 prehistoric specimans in more or less complete condition. Other Educational institutions were the Alberta College North, under Principal F. S. McCall, B.A., with 1,850 students; Mount Royal College, Calgary, with a registration of 460, and Western Canada College, Calgary, with 170; St. Hilda's Ladies College at Calgary with 75 students and the Westminster Ladies College, Edmonton which inaugrated a campaign during the year to establish an endowment fund for the Institution.

The Elections and Defeat of the Stewart Government; Formation of the Greenfield Cabinet.

The Elections of 1921 in Alberta turned upon two questions—the personal popularity of Charles Stewart, the Liberal Premier, and the amount of organized action which the U. F. A. represented. So strong was Mr. Stewart, with large sections of the people, that the Farmers' candidates hardly attacked his Government, as such, at all, and he was the one candidate elected by acclamation. With its 33,000 members and 1,500 local units throughout the Province, the United Farmers constituted about 25 per cent. of the total electorate. The Conservatives still had influence in the towns and cities, but in the rural districts were negligible, and with few candidates; the Moderation League, in a Province which voted against importation of liquor by a very small majority and where the Attorney-General had the greatest difficulty in enforcing the law was, also, a factor, with the Prohibitionists chiefly influential through the Women's vote. It was not a campaign of leadership except in the case of Mr. Stewart; A. F. Ewing, K.C., was the head of a Conservative wing in the House, but he gave most of his time to his own constituency; neither H. W. Wood nor Herbert Greenfield of the U. F. A. were candidates. All sections agreed in demanding control of Natural Resources. The standing of the different groups in the Legislature when dissolution was announced on June 24—with Nominations on July 11 and Elections on the 18th—was as follows: Government 34; Conservatives 12; Independents 6; Soldiers 2; Non-Partisan 2; Labour and U. F. A. one each.

The Policy of the Stewart Government. Mr. Stewart issued a Manifesto as the opening gun of the campaign. His reason for holding the Election at this time was stated to be the general belief that it was coming and the consequent unsettlement of affairs with the fact that Governments were more and more appealing to the people before their time was quite up. The Premier then referred to his solution of the Railway problem in the north. After prolonged negotiations the Edmonton and Dunvegan Railway was now being operated under a satisfactory agreement: "The encouraging prospect for the development of the great natural resources in the Northland provides a foundation upon which to build." In view of the ever-increasing industry of the Province, the Premier promised another step of progress in administration and during the next Session a special Department of Labour would be formed to be headed by a Deputy-Minister.

Mr. Stewart summarized some of the efforts of his Government since 1917. In Agricultural matters the Government had passed the Live Stock Encouragement Act or "Cow Bill," under which an addition of new herds to many farms had been carried out, and had established "the finest system of Agricultural Schools in Canada"; in Education the Government had increased its grants from $1,308,000 to $2,570,000 and had attacked the serious problem of teacher shortage with success; in Public

Health matters the Government had done its best to meet the persistent demands from all sections of the Province for health inspection of schools, for a system of public health nursing, for the direction of child welfare work, and for the furnishing of nurses and a medical service to the frontiers of settlement; as to Roads, in co-operation with the municipalities the Government had pledged itself to make a determined effort, to the limit of its financial ability to build up and maintain an adequate system; in Telephone construction the War had caused a stoppage, but during the last two years, a renewed effort had been made to overtake the huge arrears that had accumulated and, with the completion of this year's work, almost $8,000,000 would have been added to the investment of the Province in the Telephone system. References were made, also, to Returned soldiers, Labour, and legislation in general.

As to the future, if returned to power "the Government will continue to confine its activities and energies to Provincial affairs; it will continue to exercise care and sanity in its proposals." As to details, special stress was laid upon obtaining control of the Natural Resources: "A settlement is now assured, an agreement already having been reached with the Dominon Government as to the general principles upon which it will be based." The revenue from the Resources, upon which the Premier staked much, would be used for Education, for an Advisory Council of Scientific and Industrial Research, and for Public Health. Agriculture, he added, would be promoted by a Provincial irrigation and drainage policy and a Good Roads programme would be carefully developed.

At Edmonton, on June 28, a Liberal nomination meeting selected Hon. J. R. Boyle, A. R. McLennan, Capt. J. C. Bowen, J. W. Heffernan, K.C., and Mrs. Nellie L. McClung as candidates and they were all elected in the final result; on July 1st the U. F. A. in Sedgewick met and decided not to put up a candidate against the Premier and, during this week, Mr. Stewart had addressed meetings at Killam, Red Deer, Lacombe, Cardston, Warner, Taber and MacLeod; in Killarney the candidate was Major Harry Strachan, V.C., M.C., who, on July 29, deprecated the entrance of the U. F. A. into Provincial politics and declared that there was nothing to be gained, and much to be lost, in fighting a Government which was a Farmers' Government in all but name, with the Federal arena as the effective fighting ground of the U. F. A. as against high protection and high freight rates and for better marketting facilities. At Edmonton on July 4, Mr. Stewart spoke at length and reviewed the situation in general. He stated that his meetings had been most sympathetic but: "There is a situation in the cities and in the Province I cannot describe. Apparently, in Calgary every species of opinion is being represented by a candidate. In city and country there is an unsettled condition, an idea that some change may be made, but as to well-thought-out concentrated opposition it does not seem in evidence."

From Calgary the Premier went to other points and spoke almost continually up to the end of the contest. An incident of the Liberal campaign was Mrs. McClung's fight for the Government. She spoke at various centres and claimed everywhere that the Stewart Government had done well for the women. It had removed inequalities under which women had laboured for many years; it had put into legislation many remedial measures including pensions for widowed mothers, compensation for injured workmen, nurses for pioneer women; it had as good a programme of public health as existed in the Dominion. Another was the war statement of Capt. J. C. Bowen in Edmonton (July 6): "In 1915 the Government granted the Patriotic Society $15,000 and in 1918 $800,000; in 1919 the sum of $75,000 was turned over to the G. W. V. A. for relief purposes, in 1920, $50,000 and in 1921, $20,000; in 1921, $12,000 was given for unemployment relief, $37,000 to the Memorial Hall Fund in Edmonton and $10,000 to Lethbridge for a similar purpose. In all, the Returned Soldiers' Commission was given $375,000 and the total expenditure in this connection ran to $1,394,500." A splendid campaign speaker was missing until the last moment in the Hon. Duncan Marshall, who did not arrive from England—re Cattle Embargo—until the last moment; on July 15, accompanied by Hon. Mrs. Ralph Smith of Victoria, he spoke in Calgary and reviewed the record of the Government.

The Campaign Policy of the Farmers. From the first of the year, it was fairly obvious that the United Farmers of Alberta would oppose the Stewart Government whenever the Elections came. At the Convention of Jan. 18-21 they had passed, without discussion, a Resolution declaring that, in view of the West Edmonton United Farmers' Political District Association having gone on record as advocating Province-wide participation in Provincial politics, "therefore, be it resolved that this Convention of the United Farmers of Alberta do recommend the adoption of this action in every Provincial constituency." In the Medicine Hat Federal bye-election of June 27, the issue had been a clear one; H. W. Wood and Mrs. Walter Parlby had strongly urged the idea of Group government instead of the Party system. On July 1st the Headquarters of the U. F. A. issued a Declaration of Principles which commenced with the statement that "the present unsettled conditions in Canada, politically, are due in large measure to dissatisfaction with the party system of government and that present-day political institutions have failed to develop a sufficiently close connection between the representative and the elector and that the people desire a greater measure of self-government." With this as a basis, the Declaration continued as follows:

We, the United Farmers of Alberta, base our hopes of developing a social influence and a progressive force on becoming a stabilized, efficient organization. We, therefore, place primary emphasis on organization. Our organization is continuously in authority, and while

through it we formulate Declarations of Principles, or a so-colled platform, these are at all times subject to change by the organization. We are a group of citizens going into political action as an organization. Our elected representatives are at all times answerable directly to the organization. Each elected representative is answerable directly to the organization in the constituency that elected him. We aim to develop through the study of social and economic problems an intelligent, responsible citizenship.

A suggested Platform to be used by U. F. A. Provincial constituencies in the Elections followed and included amongst its planks: (1) Proportional Representation, and a Preferential ballot in single-member constituencies; (2) endorsation of the principle of the Initiative, Referendum and Recall; (3) a 30-days' public notice to be given before the issuing of writs in any Provincial Election: (4) no Government to be considered defeated except by a direct vote of want of confidence; (5) economy and efficiency in administration and the abolition of Patronage; (6) creation of a Highways Commission and extension and improvement of Educational facilities; (7) adequate provision for Public Health maintenance and the enactment and enforcement of such control of the Liquor traffic as the people may request by Referendum; (8) the immediate handing over of the Natural Resources by the Dominion and encouragement to Co-operative efforts in marketting and handling the products of the farm.

There was no formal leader of the Farmers in the campaign though, to all intents and purposes, H. W. Wood, President of the U. F. A., held that position; he was not a candidate but visited many parts of the Province, made a number of speeches and helped the Party to get into organized shape; by July 14 there were 44 candidates in the field recognized by the U. F. A. There was an unofficial alliance between Labour and the Farmers, illustrated in Lethbridge against Brig.-Gen. J. S. Stewart and in the Medicine Hat. Calgary, Edmonton and Didsbury ridings; the question of leadership was much discussed and Mr. Wood, Herbert Greenfield and George Hoadley were each mentioned as a possible Premier in case of a U. F. A. victory. At Calgary on July 11, Mr. Wood made a definite statement as to what might be done in the event of his Group winning: "I believe that, as the result of this Election, there will devolve upon the U. F. A. the responsibility of forming a Government in this Province. Let me say at once that we are not appalled at this prospect. We realize that it will be a great responsibility, but I am confident that we can measure up to it. Speaking personally, I would be in favour, if we are returned, of getting men who will legislate for the good of the community as a whole. It is idle to think that we will legislate for the good of the farming community only." During the campaign there was no organized attack upon, or general U. F. A. criticism of, the Stewart Government. This was a unique feature of the campaign and another was the strong and effective machinery of the Farmers —infinitely better than that of the Party in power.

The Conservative Policy in the Elections. The Conservative Opposition was not well organized but it put up a vigorous fight. A. F. Ewing, K.C., the Leader in the late Legislature, did not issue a Provincial appeal but expressed his views in a Manifesto to his own Edmonton electors on June 25. In it he declared that a member of the Government had promised another Session and a Redistribution of seats; claimed that the Province was overburdened with Debt to an extent not understood by the Electors and declared the doubling of the Supplementary Revenue Tax in cities and towns a forerunner of what was coming; illustrated the situation with statistics of the growth of the Debt from $9,293,555 in 1919 and $30,595,200 in 1917, to $41,980,000 in 1920 —with a University debt of $3,500,000 to be added to the later total and an indirect Debt of Railway guarantees, upon which the Province paid interest, totalling $18,820,000; alleged that to this Debt of $63,078,741 (after deducting Sinking funds) there would have to be added the 1921 authorized Loans of $7,250,000. Mr. Ewing reviewed the Railway situation and declared the $2,500,000 put into the E. D. and B. C. to represent a direct loss in deterioration and waste and that the $1,000,000 required to put the A. and G. W. into operating condition covered, in the main, a yearly loss in operation, interest and maintenance of $802,000.

He described lands in the municipalities as overburdened with taxation and a considerable proportion of the Motor Tax now devoted to Roads as due for return to the municipalities— to the latter, also, the Amusement Tax should be diverted as a purely local matter. The Telephone system was said to be overcapitalized as a result of political contracts for material and construction with a coming increase in rural rates inevitable and he declared that in order to meet the enormous Provincial indebtedness and to assist further development, a strong and concerted effort was necessary to obtain the Natural Resources from the Dominion: "We are entitled to two things: (1) a conveyance of the public Domain to this Province, and (2) compensation for Lands alienated for purely Federal purposes." Finally, Mr. Ewing denounced the Government for having "centralized all the great activities of the Province in itself—the road building, the bridge building, the telephone construction and maintenance, in an organization which spreads all over the Province and controls the municipalities and municipal officials."

So far as this Party was concerned the Election was fought chiefly on the Financial situation—though there were other issues. S. B. Hillocks, Conservative candidate in Calgary, claimed (July 12) that there were not sufficient Provincial assets to justify 60 per cent. of the Debt and that the Liquor Act had been so mutilated as to permit of a *regime* of boot-legging with 90 per cent. of the people breaking the law. R. B. Bennett, K.C., ex-M.P. in Calgary, scored the Government for alleged systematic catering to the foreign vote in Alberta and for a policy of reckless Railway adventure. The Hon. A. C. Rutherford, the first Liber-

al leader of the Alberta Government of 1905-10, supported Mr. Ewing and the Conservative candidates in Edmonton.

The Result of the Alberta Elections. Mixed up with the policies and efforts of the three main Parties, was the position of a number of Independents and the work of the women. There were, altogether, 57 Government or Liberal candidates, 48 Farmers, 14 Conservatives, 18 straight Independents, 2 Socialists, 9 Labourites, and 11 Independents with some kind of party affiliation. An organized Independent Party issued a Platform which included (1) the carrying out of all local improvements by the people for whose special benefit the taxes were raised; (2) Provincial revenues from municipalities not to be used by the Central Government but to be spent by the municipal authorities; (3) unequal taxation to cease and decentralization of government to be carried out. William Short, K.C., President of the Moderation League in Edmonton, and Lieut.-Col. J. K. Cornwall, ex-M.L.A., were amongst the supporters of this policy. The Independent Labour Party had candidates in several of the urban centres. The activities of the women were considerable but not as much as if there had been a direct Prohibition issue.

There were 8 women candidates running. Two were of the Government ticket—Mrs. Nellie McClung at Edmonton and Mrs. F. Langford at Calgary—with Mrs. Irene Parlby and Mrs. Louise McKinney endorsed by the U. F. A. Mrs. Elizabeth Ferris of Edmonton ran as a Conservative candidate and Mrs. Annie Gale as an Independent in Calgary, Mrs. Marie Mellard was the representative of the Socialist party and Mrs. Mary Cantin a Labour candidate in Edmonton. The women candidates urged Prohibition and Mrs. Gale declared (July 8) at Calgary that "a woman whose public work does not express the strong protective and conservative side of motherhood is not worthy of support"; Mrs. Langford wanted Prohibition of the manufacture of liquor and Mrs. McKinney had been a Non-Partisan in the late Legislature. Edmonton and Calgary, each, had 20 or more candidates in the field and all the Cabinet Ministers—except the Premier—had U. F. A. opponents. The much-discussed Recall system was not accepted by all the U. F. A. candidates and, according to statements after the Election, only 13 of them were asked to and did sign a Recall obligation.

The result of the contest, on July 18, was the defeat of the Government with, approximately, 39 Farmers returned, 14 Liberals, 4 Labour, 3 Independents and one Conservative. Mrs. L. C. McKinney was defeated by a U. F. A. candidate and Mrs. McClung elected by a large vote in Edmonton; the whole 5 Liberals were returned in that city and A. F. Ewing, the Conservative leader, defeated, with nearly the whole of his following in the Province, and General Stewart, in Lethbridge, as the fortunate survivor; Mrs. Walter Parlby, George Hoadley, O. L. McPherson, Percival Baker, were some of the notable Farmer candidates

elected; Duncan Marshall, A. J. McLean and G. P. Smith of the Government, were defeated, while C. R. Mitchell in Bow River had a large majority, as did Mr. Boyle in Edmonton; Alex. Ross was the leading Labour candidate elected while P. M. Christophers came in for Rocky Mountain and R. C. Edwards, the versatile publisher of the *Eye Opener*, was elected in Calgary. The Hon. C. W. Cross, K.C., Attorney-General for years in the Rutherford and Sifton Governments was elected in Edson. The result, in detail, was as follows:

Constituency	Government Candidate	Opposition Candidates	Politics	Candidate Elected	Majority
Acadia		J. C. Cottrell	Ind.-Lib		
		L. Proudfoot	Farmer	L. Proudfoot	2,200
Alexandra	T. H. Currie	P. J. Enzenauer	Farmer	P. J. Enzenauer	1,913
Athabasca	Geo. Mills	John Angelo	Farmer	George Mills	605
Beaver River	J. M. Dechene	H. Montambault	Farmer	J. M. Dechene	620
Bow Valley	Hon. C. R. Mitchell	G. A. Love	Farmer	Hon. C. R. Mitchell	1,045
Calgary	R. C. Marshall	Dr. T. H. Blow	Cons.	R. C. Marshall	285
	C. J. Ford	S. B. Hillocks	Cons.		
	Mrs. F. Langford	E. H. Crandell	Cons.	Alex. Ross	894
	G. H. Webster	C. F. Adams	Cons.	R. C. Edwards	210
	F. S. Selwood	M. C. Costello	Cons.	F. J. White	784
		Alex. Ross	Lab.	Robt. Pearson	750
	F. J. White	Lab.	Mrs. A. Gale	Ind.	
	H. R. Parkyn	Lab.	Robt. Pearson	Ind.	
	F. Williams	Soc.	H. B. Adshead	Ind.	
	R. C. Edwards	Ind.	Alex. Davidson	Ind.	
		F. C. Potts	Ind.		
Camrose	Hon. G. P. Smith	V. W. Smith	Farmer	V. W. Smith	649
Cardston	Martin Woolf	G. L. Stringam	Farmer	G. L. Stringam	752
Claresholm		T. C. Milnes	Ind.		
		Mrs. L. C. McKinney	N-Part.	T. C. Milnes	46
Clearwater	Dr. J. E. State	O. T. Lee	Ind.-Lib	Dr. J. E. State	87
		R. G. Campbell	Ind.-Far.		
		S. W. Chambers	Ind.-Far.		
Cochrane	A. S. McDonald	Alex. Moore	Farmer	Alex. Moore	420
Coronation	Dr. A. M. Day	G. M. Johnson	Farmer	G. M. Johnson	2,776
Didsbury	G. H. Webber	A. B. Claypool	Farmer	A. B. Claypool	794
Edmonton	A. R. McLennan	A. F. Ewing	Cons.	A. R. McLennan	695
	J. C. Bowen	H. H. Crawford	Cons.	J. C. Bowen	515
	Mrs. N. L. McClung	Mrs. E. G. Ferris	Cons.	Mrs. N. L. McClung	27
	Hon. J. R. Boyle	A. U. G. Bury	Cons.	Hon. J. R. Boyle	72
	J. W. Heffernan	W. J. Jackman	Farmer	J. W. Heffernan	201
	E. E. Roper	Lab.	E. Brown	Ind.-Lab	
	R. McCreath	Lab.	J. Bailey	Ind.-Lab.	
	A. A. Campbell	Lab.	W. R. Ball	Ind.-Lab.	
	A. Boileau	Ind.	J. E. White	Ind.-Lab.	
	J. W. Adair	Ind.	Mary A. Cantin	Ind.-Lab.	
	Wm. Short	Ind.	Mrs. M. Mellard	Socialist.	
	J. K. Cornwall	Ind.	A. L. Marks	Ind.-Prog.	
		G. V. Pelton	Ind.-Lib.		
Edson	Hon. C. W. Cross	John Diamond	Lab.	Hon. C. W. Cross	362
Gleichen	Harvey Scott	J. C. Buckley	Farmer	J. C. Buckley	500
Grouard	Hon. J. L. Coté	H. G. Dimsdale	Farmer	Hon. J. L. Coté	261
Hand Hills	R. B. Eaton	G. A. Foster	Farmer	G. A. Foster	2,669
High River	J. V. Drumheller	Samuel Brown	Farmer	Samuel Brown	147
Innisfail	D. J. Morkeberg	Donald Cameron	Farmer	D. Cameron	920
Lacombe	W. F. Puffer	Mrs. Irene Parlby	Farmer	Mrs. Irene Parlby	574
Lac Ste. Anne	C. J. Stiles	C. M. McKeen	Farmer	C. M. McKeen	737
		J. H. Mackay	Ind.		
Leduc	S. G. Tobin	D. S. Muir	Ind.-Far.	S. G. Tobin	10
Lethbridge		Brig.-Gen. J. S. Stewart	Cons.	Brig.-Gen. J. S. Stewart	878
		John Marsh	Lab.		
Little Bow	J. McNaughton	O. L. McPherson	Farmer	O. L. McPherson	698
Macleod	G. Skelding	W. H. Shield	Farmer	W. H. Shield	107
Medicine Hat	Dr. O. Boyd	P. E. Baker	Farmer	P. E. Baker	563
	H. H. Foster	W. G. Johnson	Lab.	W. G. Johnson	1,324
Nanton	J. M. Glendenning	D. H. Galbraith	Farmer	D. H. Galbraith	269
Okotoks		E. A. Daggett	Ind.-Lib	George Hoadley	739
		Geo. Hoadley	Farmer		
Olds	Hon. D. Marshall	N. S. Smith	Farmer	N. S. Smith	658
Peace River	W. A. Rae	D. M. Kennedy	Farmer	D. M. Kennedy	1,955
		E. S. Karr	Ind.-Lib.		
Pembina	Dr. J. H. Phillips	G. MacLachlan	Farmer	G. MacLachlan	1,298
		F. D. Armitage	Ind.		

Constituency	Government Candidate	Opposition Candidates	Politics	Candidate Elected	Majority
Pincher Creek	H. Bossenberry	E. G. Cook	Farmer	E. G. Cook	101
		D. R. McIvor	Ind.-Lib.		
		A. E. Cox	Ind.		
Ponoka	W. A. Campbell	P. Baker	Farmer	Percival Baker	576
Recliff	C. S. Pingle	W. C. Smith	Farmer	W. C. Smith	563
Red Deer	J. J. Gaetz	G. W. Smith	Farmer	G. W. Smith	1,014
Ribstone	J. G. Turgeon	C. O. F. Wright	Farmer	C. O. F. Wright	1,283
Rocky Mountain	Alex. Morrison	P. M. Christophers	Lab.	P. M. Christophers	161
		Maj. W. Sharpe	Ind.-Far.		
Sedgewick	Hon. C. Stewart			Hon. C. Stewart	Accl.
St. Albert	L. Boudreau	T. St. Arnaud	Farmer	T. St. Arnaud	234
Stettler	E. H. Prudden	A. L. Sanders	Farmer	A. L. Sanders	1,498
Stony Plain	J. Miller	E. W. Lundy	Cons.	W. M. Washburn	354
		W. M. Washburn	Farmer		
		Dan Brox	Ind.-Far.		
St. Paul	P. E. Lessard	W. J. Joly	Farmer	W. J. Joly	394
Sturgeon	Hon. J. R. Boyle	S. A. Carson	Farmer	S. A. Carson	866
Taber	Hon. A. J. McLean	L. Peterson	Farmer	L. Peterson	318
Vegreville	J. S. McCallum	A. M. Matheson	Farmer	A. M. Matheson	1,722
Vermilion	A. W. Ebbett	R. G. Reid	Farmer	R. G. Reid	2,016
Victoria	F. A. Walker	W. Fedun	Farmer	W. Fedun	113
Wainwright	H. Strachan	G. L. Hudson	Cons.	R. S. Love	964
		R. S. Love	Farmer		
Warner	F. S. Leffingwell	M. J. Connor	Farmer	M. J. Connor	265
Wetaskiwin	H. J. Montgomery	E. E. Sparks	Farmer	E. E. Sparks	292
Whitford	A. Shandro			A. Shandro	Accl.

Formation of the Greenfield Government. As soon as the results were known, Mr. Stewart announced (July 19) that he would only continue in office until the United Farmers were ready to take over the administration; at the moment, he said, he was not in a position to recommend anyone as head of the Government, because there was no recognized leader of the new majority. There was a feeling in some quarters that Mr. Stewart might, himself, be asked to assume the leadership, but this rumour did not develop into action. Mr. Wood, in Calgary, announced that until a Conference of the elected U. F. A. members had been held "no one will be in a position to accept or reject a call to the Premiership." He then enlarged upon his well-known theory: "What the people want now is self-government through their representatives. This will be impossible so long as the elected representatives operate the political machinery by which they themselves are elected. The people of Alberta have spoken in no uncertain terms against politician representation. x x x The people themselves will operate the political machinery by which they elect their representatives to serve them."

A meeting of the 38 Farmer representatives was called for the 26th at Calgary. Meanwhile, Percival Baker, a prominent U. F. A. member (Ponoka) had died on the 20th as the result of an accident which removed one who was supposed to be assured of a seat in the new Cabinet; all kinds of rumours were current as to the Premiership and the post of Attorney-General, in particular. At the Calgary meeting, where R. G. Reid of Vermilion presided, it was announced that H. W. Wood, Herbert Greenfield, O. L. McPherson, George Hoadley and J. E. Brownlee were nominated for the Leadership; that Mr. Wood declined and spoke in favour of Mr. Brownlee who, upon hearing some objection to a lawyer, at once withdrew; that Mr. Greenfield was then elected Leader. An Englishman by birth, 52 years of

age and a resident of Canada since 1892, Mr. Greenfield had farmed near Watford, Ontario, until 1906, when he went to Alberta and homesteaded at Westlock; here he met with success as a farmer and as a public man of strong personality; here he won reputation in the great organization of Albertan farmers as a man of ability, sincerity and principle.

The Calgary *Albertan*, a Liberal journal, described the Premier-elect on the 28th as follows: "A strong, sane, vigorous, well-informed farmer, British born, and British educated, Canadian trained, he has had extensive experience in two Provinces. A resident for some years in Ontario, a pioneer in the north of Alberta, one of the homesteaders himself, he knows well the trials and troubles of the thousands of pioneers in the Province, and the problems of the hundreds of thousands who are not pioneers." A couple of weeks passed during which the new Cabinet was in course of formation and, on Aug. 12, Mr. Stewart resigned and the Lieut.-Governor formally called on Mr. Greenfield to form a Government. The retiring Premier issued a farewell statement which expressed his pride in 12 years of public life and work for the Province; his belief that no agricultural interest had been neglected and that much good legislation had been given in the 1,000 public and private Acts passed in 16 years by the Liberals; his appreciation of public sympathy and personal support and the hope that his successors would receive both in full measure. The new Cabinet was announced on the 13th and sworn in on the 14th as follows.

Department	Minister
Prime Minister, Provincial Treasurer and Provincial Secretary	Hon. Herbert Greenfield
Attorney-General	Hon. John Edward Brownlee
Minister of Agriculture	Hon. George Hoadley
Minister of Municipalities and Public Health	Hon. Richard Gavin Reid
Minister of Education	Hon. Perrin Earle Baker, B.A.
Minister of Railways and Telephones	Hon. Vernor Winfield Smith
Minister without Portfolio	Hon. Mary Irene Parlby
Minister of Public Works	Hon. Alexander Ross

Mr. Greenfield stated that he was taking charge of the Portfolios mentioned, temporarily, and that there would be changes in this connection. Of the new Ministers, Mr. Baker was Canadian-born, a farmer and 44 years of age; Mr. Reid was a Scotchman 42 years old and a farmer in Alberta since 1903; Mr. Smith was Canadian-born, a prosperous farmer near Camrose with 1,000 acres of land and perhaps the largest herd of Hereford cattle in Northern Alberta; Mrs. Parlby had come out from England to Alberta as a visitor in 1896 and there had met and married W. C. H. Parlby, M.A., Oxon, who had resided on his ranch at Alix since 1890; Mr. Brownlee was of Ontario birth, 37 years old, well-known as a lawyer and as Counsel for the U. F. A. and the United Grain Growers, Ltd.; Mr. Ross was a Scotchman, 41 years of age, a stone-mason by trade and a leader in the Labour life of the Province; Mr. Hoadley was an Englishman, 55 years old, a rancher and farmer for many years, and a moderate Conservative in politics. The policy of the new Government

soon developed and one of the first incidents was the stoppage of all work on the roads and highways of the Province with a view to taking stock of the situation and defining the new policy of the Public Works Department; on Sept. 14 Orders-in-Council were passed giving effect to settlements reached between Debenture holders and the towns of Macleod and Bassano which had found difficulty in paying their interest.

On Sept. 22, Mr. Greenfield expressed to an Edmonton gathering the great desire of the new Government to carry on extensive work in the enlargement of Hospital facilities in all parts of the Province and, particularly, in the rural districts; Mr. Hoadley stated in Calgary on Sept. 26 that Irrigation would have special attention and, in November, the Southern Alberta Survey Board was appointed. The new Premier addressed the Calgary Canadian Club on Oct. 7 and outlined the views and policy of the Farmers' movement as he saw it: "Political organization in the past has always been directed by a small group of men at the top and it has gradually percolated down to the people. We have got to reverse that. The people, themselves, have to direct. In our political movement every constituency has complete autonomy within itself. Each decides whether it will nominate a candidate without any interference from any outside source whatever."

On Sept. 30 an extension of time was granted by the Government on all proceedings in connection with the sale of land due for foreclosure under the Provincial tax sales of 1920. The Premier stated on Oct. 7, in Calgary, that the Government was spending $100,000 in keeping the schools going in parts of Southern Alberta effected by drought and storm and that they intended, also, to go on with the Stewart policy of a Soil Survey; in November it was stated that about 60 appointees of the late Government had been let out in the various Departments and that economy was being practised in every direction by the new Ministers. On Dec. 4, the entire Cabinet was elected or re-elected by acclamation—Mr. Brownlee running in Ponoka and Mr. Greenfield in Peace River.

Reports of the Government Departments. The calendar year, in 1921, was the fiscal year of the Departments and the Reports, though covering a period partly under the Stewart *regime*, were prepared and issued by the new Ministers. Mr. Greenfield had taken the place of Hon. J. L. Coté as Chairman of the Scientific and Industrial Research Council of Alberta—composed also of President H. M. Tory, J. T. Sterling, Chief Inspector of Mines, Prof. J. A. Allan, N. C. Pitcher, M.E., and Edgar Stansfield; its Report for 1921 showed much work done in the study of Alberta fuels and geology, the development of road materials, investigation of salt resources and of conditions at Fort McMurray. As Provincial Secretary, the Premier reported taxes on corporations as $308,000; automobile registration as 39,775 compared with 38,015 in 1920 and 41 in 1906; the revenue from this source

as $717,892 with $195,000 from Theatre and other amusement licenses.

As Minister of Public Works, the Hon. Alex Ross received a Report from the Deputy-Minister, J. D. Robertson, showing 362 bridges constructed and 157 repaired in the year, 65 Ferries operated, a Nurses' Home constructed at Ponoka for 46 nurses and the Female Goal at Fort Saskatchewan under way. The Highways Branch left the matter of road construction to further enquiry and fuller information. The Hon. Vernor W. Smith as Minister of Railways, reported only 31 miles of new line for the year, but as being none-the-less an active one for Railways owned outright by the Provincial Government or in which it was heavily interested: "In continuation of the policy laid down in the previous year when the Province assumed control of the Northern Railways, further large sums were required during 1921 in order that these lines might be carried to completion and placed in a condition that would permit of economical operation." The following table was given as to details:

Railway Company	Authorized at Session of 1921	Advanced by Government in 1921.
Edmonton, Dunvegan and B.C. Central Canada Railway	$1,500,000	$1,475,000.00
Central Canada Railway Extension	600,000	321,811.16
Alberta and Great Waterways	2,100,000	2,323,000.00
Lacombe and Northwestern	150,000	215,000.00
Totals	$4,350,000	$4,334,811.16

John Callaghan, Deputy-Minister, gave a careful statement as to causes and effects in respect to this legislation. As Minister of Telephones, Mr. Vernor Smith received reports of progress. During the year a good deal of new Plant was added to the system in all its branches—the Rural branch having 2,050 miles of poles added and 2,224 new subscribers. The Long Distance Lines were increased by 482 miles of poles and 6,524 miles of wire, and additions to exchanges were made in a number of cities and towns with the greater part of the work carried out at Calgary and Lethbridge. A new automatic exchange was provided in the North Hill district, Calgary, which had a capacity of 4,000 lines; 1,500 lines of automatic equipment were installed and put into service with 1,150 subscribers connected to the Exchange. An interesting event was the installation of the Carrier System of Multiplex Telephony between Calgary and Edmonton and its complete success. This System made it possible to carry on three distinct conversations over one pair of wires at the same time without interference.

The Assets of Alberta Government Telephones were given by R. B. Baxter, General Superintendent, as $17,676,026 invested in Plant and, with other amounts in Supplies, etc., the total was $22,898,223; the Liabilities included a bonded Debt of $21,-406,880 with a Sinking Fund of $459,767 and Replacement Reserves of $660,299. The Hon. R. G. Reid, as Minister of Public Health, received Reports from various Hospitals. That of Pon-

oka—the Provincial Mental Hospital—showed 698 patients on Jan. 1st, 1921, and 776 at the close of the year with a recovery rate of 34·05 per cent., in the case of males, and 38·46 in that of females. The Provincial Gaol, Lethbridge, had an average daily population of a little over 128 with 553 admitted during the year and 566 discharged, and Expenditures of $73,447; the Provincial Gaol, Fort Saskatchewan, had a daily average population of 188 with Expenditures of $59,235 and the Hospital for Returned Soldiers at Red Deer showed 110 patients on Jan. 1st, 1921, and 96 on Dec. 31, with a cost of $58,499.

Mr. Reid, as Minister of Municipal Affairs, dealt with the administration of the Town Act, Rural Municipality Act, Village Act, Local Improvement Act, and 15 other Acts and, in addition, levied and collected local improvement taxes in unorganized areas and the taxes levied under the Educational Tax Act on lands outside of organized school districts; the Department also assisted villages, rural school districts and local improvement districts in the collection of arrears of taxes. J. H. Lamb, Deputy-Minister, reviewed in elaborate terms the working system and responsibilities of the Department and described the details of operation in 1921 with moneys actually collected totalling $2,524,199. The Municipal Finances Commission (Hon. H. Harvey, Hon. N. D. Beck, Hon. J. D. Hyndman and H. M. E. Evans) reported having dealt with the financial condition of 8 places including Athabasca, Bassano, Redcliff, Tofield, Wainwright and Wetaskiwin; statistics of Alberta cities for 1921 were also given. The Attorney-General, Hon. J. E. Brownlee, reported a record amount of crime in the Province for 1921 with 16,084 cases handled by the Provincial and City Police; there were convictions in 85 per cent. of the cases including 1,226 under the Liquor Act.

British Columbia: Government, Administration and Legislation in 1921.

The Oliver Government (Liberal) entered upon its second term of office in 1921; Elections late in 1920 had shown 136,939 votes cast for the Liberals, 94,903 for the Conservatives, under the Hon. W. J. Bowser, K.C., as Leader, and 123,314 for Independent candidates of wide and varied opinion; the Legislature stood 34 Liberals, 10 Conservatives and 2 Independents. Mr. Oliver had the usual variety of important matters to deal with during the year. With members of the Cabinet, he received, on Jan. 18, a Delegation representing the Provincial Medical Council which protested earnestly against Chiropractors being licensed in the Province. On Feb. 9 a vigorous protest came from the Chinese Consul at Vancouver against a clause in the Municipal Act which forbade employment of white girls or women in Chinese establishments; on Apr. 21 it was announced that the Government had promised a $5,000 contribution to the I. O. D. E. War Memorial Fund; on Apr. 19 the Premier shared

with H. E. the Duke of Devonshire in the unveiling of a Memorial Statue of the late Queen Victoria on the grounds of the Parliament Buildings. It was designed and constructed by A. B. Joy, an English artist, the material was bronze and the cornerstone had been laid by H. R. H. the Prince of Wales in 1919. In the Address which he presented to the Governor-General, Mr. Oliver paid tribute to recent British Sovereigns, but, especially, to "the great Queen who did so much to consolidate the Empire and lay the foundations of its power and might of to-day."

Following this incident, the Premier went East and visited Ottawa, Toronto, Montreal and Halifax; at the Federal capital he was told by Mr. Premier Meighen and Hon. Dr. Reid that there was no use, at this juncture, in pressing the question of Dominion acquisition of the Pacific Great Eastern Railway; at Halifax he attended the Canadian Good Roads Convention, and discussed the problems of Pacific Coast highways; while in Ontario he visited his father, who was in his 89th year. On July 18 it was announced that $340,000 had just been allotted by the Government as a final appropriation to the municipalities for Better Housing construction in the interest of returned soldiers, with $1,701,500 as the total expenditure. A keen protest was offered to the Premier, who was also Minister of Railways, at this time, as to the action of the Government in placing $3,500,000 of Insurance on the P. G. E. Railway with Lloyd's, the British underwriting concern. The B. C. Fire Agents' Association tried and failed to have this cancelled, and, on July 26, wrote Mr. Oliver claiming that Lloyd's was unlicensed in the Province and that there were many Companies under license, with large deposits in the Government's hands, which could have carried the risk; the Premier replied that "tenders for this Insurance were called for by public advertisement, and the tender most favourable to the Railway Company was accepted." He was unaware of the fact, if it was one, as to non-license.

To a large meeting of business men in South Vancouver, on Aug. 24, the Premier dealt with unemployment: "I started working before I was 10 years of age, driving a donkey in the mines in Derbyshire, and I have been working ever since, and never harder than as Premier of British Columbia." The reason for unemployment in the Province, he said, was because the population was misplaced and not distributed in accordance with the requirements of the country; there were far too many merchants with resultant heavy overhead expenses: "We have been altogether too extravagant in our buildings and in our ideas." The Province was importing more food than it was producing, and as to South Vancouver, people had gone into the municipality under conditions where they could not earn a living; the growing expenditure had been undertaken largely to meet the situation created by this over-population of a very small area of the Province. An incident of the year was Mr. Premier Oliver's vigorous fight against existing Railway freight rates. He gave

the Dominion Railway Board, at Vancouver, on Oct. 17, a mass of historical data as to the relations of the Railways, the Province, and the Dominion since Confederation: "I wish to show that from the time of Union, 50 years ago, down to the present time, with possibly short intervals, the Dominion has never lived up to the spirit of the terms of Union." He claimed that the Railway Acts of 1868 and 1879 did not permit of discriminatory rates upon any railway under Dominion jurisdiction:

> The discriminatory rates imposed upon British Columbia since then, besides being unjust exactions, have stifled industry and development to an extent which can not be calculated; they have retarded and restricted the proper exploitation of our great wealth of natural resources; they have made this Province one of the most expensive, when it should have been the least expensive, in which to live; they have retarded and restricted the settling of our agricultural lands; even to-day that same imposition is preventing the Port of Vancouver from becoming a great Canadian grain port, although it is within 600 miles of the grain belt and despite the fact that millions of bushels of Canadian-grown grain are being exported through ports in the United States on the Atlantic seaboard.

In the Legislature, on Dec. 30, Mr. Oliver stated that this and other protests had brought some relief, and he cited several reductions of the past year of special kinds and to and from specific points. As Minister of Railways, the Premier had to deal, personally, with the Pacific Great Eastern problem. It had been uppermost ever since he took office and was an inheritance of the lavish Railway construction period. The Hon. John Hart, Minister of Finance, had put the situation as follows in a speech at Murrayville (Feb. 1st): "The Government started office handicapped by an empty treasury and a wrecked credit and the P. G. E. was the chief cause for this state of affairs. Of the 27 millions they had borrowed since then, $14,300,000 had gone to the P. G. E., $4,000,000 to pay Debts, and the other 9 millions was for constructive work which increased the Assets of the Province." In the Legislature, on Feb. 16, Mr. Premier Oliver stated that the P. G. E. Railway was taken over by the Government on July 22, 1918, with Hon. John Hart, Hon. J. W. deB. Farris, and himself, as Directors; the deficit for 1918 was $115,-255, for 1919 $202,113, and for 1920 $324,328. A. B. Buckworth was appointed General Manager of the road on Aug. 1st, 1920, at $6,000 per annum, and, he added, the P. G. E. received a subsidy from the Federal Government for carrying mails; the Provincial Government had loaned to the P. G. E. since it was taken over a total of $14,399,668.

On Feb. 26 he amplified this statement by declaring that $40,000,000 would be spent on the construction work of the P. G. E. Railway by the Province, at the end of March, 1921, when the line was expected to be in operation to Prince George. Hence the necessity for borrowing an additional $4,000,000 for the coming year's work on the Railway. In 1920 $4,000,000 had been borrowed, but it proved insufficient to complete the line,

owing to extreme advances in construction and maintenance costs, and deficits in operations. It was expected that this $4,000,000 would complete the line. The legislation was enacted, but it gave the Opposition Leader a text for strong criticism. On Aug. 8 the Premier announced that there would be a reduction of 35 per cent. in freight rates on the P. G. E. Railway for cattle shipments, and it was to be effective immediately. As to the position of the Railway at the close of the year, it would appear that, through Provincial guarantees, the Government was on $20,160,000 bonds of this Line now held by the public. In addition, the Government had expended $21,159,618, chargeable to Deferred Assets. Other current items in connection with this Railway swelled the account—the interest on the Public Debt had increased by $1,203,600 and Sinking Fund requirements by $317,500, with $500,000 as the estimate for loss on operation in the 1921 fiscal year. On Nov. 28 a large Delegation, led by Sir Frank Barnard and including E. P. Davis, K.C., Eric Hamber, R. P. Butchart and others, waited upon the Government and discussed with the Ministers the tremendous financial demands of this enterprise. They suggested, and the Premier accepted, a proposal that President E. W. Beatty of the C.P.R., and D. B. Hanna of the C.N.R., be asked to help in naming a Commission of experts to go into the matter, root and branch.

Meanwhile, there had been some changes in the Government. Prior to the opening of the Legislature, in February, Mrs. Ralph Smith, the popular member for Vancouver, who had been elected by a vote of 18,082 and a majority of 7,354, was offered the Government nomination as Speaker of the new House. She declined the honour but, on Mch. 24, she accepted the position of Minister without Portfolio in the Oliver Government and was at once sworn in as the first woman to become a Cabinet Minister in the annals of the British Empire. To the press, Mrs. Smith said, very briefly: "I feel that this is a great honour, not conferred on myself, but on the womanhood of the Province. We fought a long time for our suffrage and we have broken down many barriers. Now it remains to be seen how women can conduct themselves in public life." A few months later the Hon. Mrs. Smith (Sept. 23) stated that she would not be a candidate in the Federal elections, though she hoped to go to Ottawa ultimately.

On Nov. 19 she resigned her position in the Government and, in a letter to the Premier, said that: "For some time I have felt, as you know, that I should take this course, and I have been in the unfortunate position of having to assume the responsibility of acts of the Government without being in a position to criticize or advise. x x x I am, after all, primarily interested in women and children, and no matter what Government has the power, as long as I can serve the people, whom I have the honour to represent, then I shall find the happiness that public life gives." It was generally understood, and Mrs. Smith

so stated (Nov. 21) that she would be given a Portfolio and she had hoped for this so as to be in a better position to work for the interests of the women and children of British Columbia. When the Liberal Government was formed at Ottawa, in December, it was announced that Hon. J. H. King, Minister of Public Works at Victoria, had been offered the same Department in the Dominion and would accept it as soon as arrangments could be made for his retirement and election. At this time, also, Hon. J. W. de B. Farris, K.C., Attorney-General and Minister of Labour, wired from Ottawa, on Dec. 21, his intention to retire and resume the practice of his profession.

The Ministers and Their Departments. The Minister of Public Works (Hon. J. H. King) issued an elaborate Report for the fiscal year 1920-21. It dealt with roads and bridges and highways as well as buildings, with Electrical Energy and inspection of Factories and Dykes. During 1920 considerable progress was reported in the linking up of gaps in the main trunk highways with the following portions constructed: Osoyoos to 9-Mile (6½ miles) over Anarchist Mountain; a section about 6 miles West of Rossland; Thrums to Brilliant (4½ miles); Kuskanook to Sirdar (5½ miles) and, in all, 22 miles of new construction of standard road-bed. In addition to this, considerable reconstruction and maintenance had been undertaken by day-labour on various sections. There was, also, some development in the work done under the Canada Highways Act, by which the Province became entitled to $1,252,000 of Federal aid for specific and approved construction; as to hard surface road construction, 16 miles were completed in the year; the Trans-Provincial Highway was said to be making progress. Repairs and improvements on the Parliament buildings and the Mental Hospitals of the Province were described and the inspection of 314 bridges reported. The Inspectors of Factories and Dykes reported— the latter as to 24,142 acres of dyked lands and 42 miles of dykes in the Drainage District.

The Road policy of the Province was under control of this Minister, and Dr. King presented to the House on Feb. 26 figures showing that out of a total of $600,000 set aside for Public Works under the B. C. Highway Act, 1920, there had been spent up to Dec. 31, of that year, $439,803. Money authorized for Public Works under the B. C. Loan Act, 1919, had been expended to a total of $821,874 in 1919-20 and $628,470 in 1920-21. At the 6th annual Convention of the Good Roads League and the Union of B. C. Municipalities, which met at Port Alberni (Aug. 30), with 150 delegates present, much was said as to the highway situation. Mayor R. H. Gale, Vancouver, presided and a Resolution was passed expressing disappointment at the Government's delay in recognizing the need for a Trans-Provincial Highway. A committee was appointed to wait upon the Cabinet and Mayor Gale stated, as to the portion of the Pacific Highway near the International Boundary, that "tourists are pouring into

this Province in ever-increasing numbers, and we find that the route over which most of them must travel is not only a disgrace, but, at the same time, extremely dangerous. While quite prepared to acknowledge the work done by the Government on this road, I believe that the time has undoubtedly come when the Canadian portion of the Pacific Highway should be completely paved." P. Philip, Provincial Roads Engineer, representing the Minister, stated that there were 14,626 miles of roads serving a population in unorganized territories which included about 13% of British Columiba's entire population. Only four-tenths of one per cent. of the total area of the Province was within cities and municipalities although these held 87 per cent. of the population. Automobile licenses had increased from 2,000 in 1911 to 28,000 in 1920. Much good road-work was under way. A lot of attention, he added, had to be given to bridges and ferries, as well as roads, and there were 50 ferries in British Columbia. Delegates wanted more, however, and Mayor C. F. McHardy of Nelson, Mayor J. J. Johnston of New Westminster, Percy Gomery, and others, pressed for more rapid construction. The League was informed that the Province had, so far, availed itself of about $100,000 under the Federal Highway Act; that the Dominion would add $50,000 to its Banff-Windermere appropriation; that there were, approximately, 32,000 automobiles in British Columbia, with about one-third of these on Vancouver Island. Mayor Gale was re-elected President.

The trouble as to the Trans-Provincial project seemed to lie, very largely, in the question of rival routes, and these the Minister had enquired into and, in some cases, visited during the year; the matter of expense, also, was vital in a Province of vast mountains and forests. The Opposition in the House made the most of these difficulties and the roads in the Cariboo were, especially, criticized in the press by Canon Hinchcliffe, M.L.A., and Hon. W. J. Bowser, after a return from that region on Sept. 18. Meanwhile, the Government had come more fully into the Federal Highway scheme, had submitted plans which were approved by the Dominion engineers, and, of the sum set aside, $1,051,000 was allocated under mutual agreement.

In the House, on Oct. 31, Dr. King stated that a total of $7,216,377 had been expended on roads and bridges in the Province during the past four fiscal years ended Mch. 31, and of this amount $2,100,000 was borrowed. Outlays for each fiscal year were as follows: 1917-18, $1,303,982; 1918-19, $1,433,832; 1919-20, $1,770,649; 1920-21, $2,707,913. The estimated amount of money set aside for public roads out of current revenue for the fiscal year of 1921-22 was $2,190,100, and since Apr. 1st there had been borrowed $2,400,000. On Nov. 2nd the Minister announced that the Government had reached a decision on the Trans-Provincial question and proposed to adopt what was known as the old Dewdney Trail as the route to connect the towns of Hope and

Princeton for the new Highway which was to connect the road systems of the Coast and the Interior. Further investigation, however, would be necessary before operations commenced.

The Hon. E. D. Barrow, Minister of Agriculture, in his Report for 1920, included statements from W. J. Bonavia as to Publications which included 328,250 Bulletins, circulars and Reports issued during the year;* particulars as to 72 Women's Institutes with 2,758 members and Farmers' Institutes numbering 129 with a membership of 5,720; reports as to Horticulture and Fruit pests with inspection of soils, orchard conditions, etc.; reports from Agricultural representatives, Plant pathologists, the Chief Inspector of Imported Fruit and the Prairie Markets Commissioner at Calgary, the Live Stock Commissioner and Veterinary Inspector; the results of Soil and Crop Surveys and Irrigation needs and conditions, and statistical details as to 14,495 farmers in the Province who had been asked for returns with 60 per cent. responding. D. Warnock, O.B.E., Deputy-Minister, reported for 1920 a value of $14,014,873 for Live-stock and a value of $68,004,953 for Agricultural products; Agricultural imports from the other Provinces of $18,902,981 and from foreign points of $7,913,488; a Fruit production of 79,549,743 pounds valued at $4,951,750—of which Apples totalled $2,796,215; a vegetable crop of $8,898,819 and Fodder crops of $17,410,852.

The B. C. Land Settlement Board and the Agricultural Credits Commission, with Lieut.-Col. R. D. Davies, Director, were under jurisdiction of this Minister and under considerable discussion during the year. On Feb. 21 Mr. Barrow presented the 1920 Report to the House showing an expenditure by the Board for the year of $152,880 with $56,044 of revenue and a total expenditure upon 16 areas under settlement of $550,370 as the purchase price and $794,498 as the total of development costs to date; these areas were widely scattered and included Courtenay, Creston, Kelowna, Fernie, Telkwa, Prince George, Cranbrook and other places not so well known. It was stated that Soldier Settlers in these areas were showing a determination to make good, and that such progress towards permanent settlement had been made that general stores, now being operated by the Board, were to be transferred, at some points, to the local management of the cities. Strong community spirit had developed, particularly at Merville and Lister, which now were firmly established. The total acreage included in settlement areas to date was 121,141 acres, of which 46,647 acres had been surrendered to the Board at a cost of $200,000; there were 19,156 acres resold to *bona fide* settlers, including returned British Columbia soldiers.

The Assets of the Board were placed at $1,040,808 and the Liabilities included Debentures for $1,000,000 due in 1941. As to Agricultural Loans there were grants during 1920 totalling

*Note.—It may be added here that the Government Reports of this Province are exceptionally good as to printing and illustrations.

$71,440 to 42 soldier-settlers under the Board. These, with the 277 in force at the end of 1919, made a total of 319 with Loans of $655,640. In the Legislature W. A. McKenzie (Cons.), on Nov. 15, warmly criticized the Board and claimed that there were very few in these settlements of the returned men making good because of the heavy cost of land-clearing and interest. Hon. Mr. Barrow, on Nov. 21, replied to these and other criticisms and dealt with specific cases. Some of the returned men had, more or less, forced the issue refusing to listen to his advice in the selection of a place to settle. The Minister wished them to go to Central British Columbia, but they had selected lands near Courtenay—lands which were very heavily timbered and difficult to bring under cultivation: "Even at that, we have accomplished a great deal. Some of the men have done remarkably well; others never would do well at farming, and we have to make the best of the situation." He blamed politics for most of the trouble between settlers and the Government.

The Report of the Hon. J. D. MacLean, Provincial Secretary, and in charge of Mental Hospitals, etc., gave the figures for the year of Mch. 31, 1921, during which admissions to these institutions totalled 489 and discharges 477; at the close of the fiscal year 1,566 patients were in residence at New Westminster, Essondale and Saanich, compared with 1,458 on Mch. 31, 1920; the cost of maintenance was $622,067. In April the Legislature voted $237,000 for construction of a new building at Essondale. To Dr. MacLean, the Provincial Health Officer, H. E. Young, M.D., and for many years Minister of Education, reported for the year of June 30, 1921, as to Child Hygiene in the Province—which was the first in Canada to adopt compulsory medical examination of children; Public health, nursing and Red Cross cooperation; Venereal diseases' law and enforcement, with Government provision of free expert opinion, free treatment, medicine and laboratory service; infectious diseases which showed a marked decrease, with vaccination pressed along voluntary lines, against "a very active and clamorous minority"; sanitary inspection covering cemeteries, sewerage, water supplies, etc.

As to School children, 3,049 were medically inspected in the High Schools, 32,392 in the graded city schools, and 29,390 in the others; contagious diseases reported in the Province during the year totalled 4,699 cases. In the Legislature during its first Session of the year, Mr. MacLean carried a measure which provided for taking over by the Government of the plant, lands, assets and liabilities of Tranquille Sanitarium, near Kamloops, and for the maintenance and management of this institution as a Government concern. Mr. MacLean, during the year, received the Report of the Provincial Library and Archives Department (Sept. 30, 1921) from J. Forsyth, Librarian and Archivist, showing the issue of 20,063 volumes in the year, the addition of 1,719 new books and the reading of 1,045 Manuscripts and arrangement of 5,000 others. The Provincial Museum, also, was under

his supervision and F. Kermode, Director, reported 22,550 visitors in the year 1921 with varied activities of a collective character.

The Hon. T. Duff Pattullo, Minister of Lands, reported for the year ending Dec. 31, 1921, that 42 Surveyors had been employed during the year and that 155,374 acres of Crown Lands were surveyed; that the Inter-Provincial Boundary Commission, composed of A. O. Wheeler, acting for British Columbia, and R. W. Cautley for the Dominion and Alberta Governments, which had the marking of the Alberta-British Columbia boundary in hand, were reaching the final stages of their work; that the total of all Surveys made and gazetted in the Province was 409,360 acres during 1921; that the Land sales of the Department in the year were 37,068 acres, the Crown grants issued were for 163,161 acres, the Pre-emptions inspected totalled 1,843 and the Coal-prospecting Licenses covered 102,400 acres. To Mr. Pattullo a Report was submitted by J. W. Clark, Superintendent of B. C. Soldier Settlement—with special attention to the townsite and settlement at Oliver where the expenditure up to Dec. 31, 1920, was $1,403,521. At the close of 1921 this total was $2,332,632 with 68 lots sold during the year at $16,810 and total sales to date of $196,885; a saw-mill had been erected and a waterworks system installed with progress reported in the general Irrigation project of the Southern Okanagan. In the matter of Better Housing Funds, as to which the Federal Government, under special legislation, had allotted $1,361,521 to British Columbia, Mr. Clark reported various advances—the City of Vancouver $300,000, Victoria $140,000, Prince Rupert $100,000, North Vancouver $74,500, Point Grey $94,000, Kamloops $60,000 and, so on, down to $2,000 for the Municipality of Matsqui. Under this Act 312 houses had been erected and completed and 40 houses were in process of erection, with various proposals under consideration.

The Attorney-General, Hon. J. W. de B. Farris, had a number of important matters within his jurisdiction. Robert Baird, Inspector of Municipalities, reported, for the year of Dec. 31, 1920, an array of Statistics in this connection. The assessed value of Taxable land for the year 1921 was $233,907,024, or a reduction of $14,361,763; the Debenture Debt of the Municipalities (Dec. 31, 1920) totalled $96,097,910, or an increase of $1,256,294; the Arrears of taxes were $8,248,455 compared with $12,094,121 at the close of 1919; the receipts of Municipal taxes in 1920 were $15,467,662, or an increase of $1,400,000; Sinking Fund investments included $8,075,175 in Bonds, $156,956 in Mortgages and $5,183,332 in Municipal Debentures—the latter not recognized by statute. Including cities and municipal districts, the Waterworks of the Province showed a Plant value of $16,702,630, total revenues of $1,439,725 and a net loss on operation of $272,540. The first annual Report of the Superintendent of Neglected Children (Nov. 30, 1920) showed 985 under care in

Vancouver during the year, with $8,473 of expenditures and Government grants of $13,000 made to various Societies caring for destitute children. D. B. Brankin, the Superintendent, also reported as to Mothers' Pensions with 636 pensions granted to date and totalling $118,489 in amount. In the House, on Feb. 15, Mr. Farris stated that "in classifying the applications filed, we find that out of 1,000 cases 665 are widows, 203 are deserted wives, 76 have husbands who are incapacitated from various causes, those confined in Mental Hospitals number 25 and in prison 5, and there are 15 divorcees, with 7 unmarried mothers."

A little later administration of this Act was placed under the Workmen's Compensation Board. The Superintendent of Insurance reported to Mr. Farris for the year 1920, 132 Fire Companies under license and $2,635,532 of Provincial Fire losses in the year with Net Premiums of $3,369,577 and net amount of losses, paid, $1,096,566. The Life Insurance Companies totalled 54 with Premiums for the year of $5,847,803, amount in Force $171,649,828 and claims paid of $1,450,503. The B. C. Retail Merchants' Association asked the Attorney-General for various changes in the law (Feb. 8)—chiefly as to small Debt collection and garnishees. Mr. Farris had supervision of the Provincial Game Conservation Board, and reported to the Legislature for 1920 the receipt of $137,587 from game and hunting license fees and the tax on furs. It was stated that grouse were becoming scarce in the Province, while pheasants were fairly plentiful, and moose, caribou, elk, mountain sheep and deer were holding their own; black bear were increasing and cougars also. The following were the chief fur-bearing animals trapped during the year: Weasel 43,489, muskrat 46,103, marten 11,446, with big game killed totalling 1,023 Deer, 242 Moose, 231 mountain sheep and goats, 114 Caribou, 996 Bear.

New Game regulations were issued by the Minister on July 28 for the year 1921, with Dr. A. R. Baker, Chairman of the Conservation Board, in charge of the protection of Big Game. During the year frequent references were made by the Opposition in the Legislature to Dr. Baker—who had been a prominent Liberal and was President of the Vancouver Liberal Association and, eventually, Mr. Farris had to suspend the official and accept his resignation, under appointment of a Commission of Enquiry, on Nov. 24. As Minister of Labour, Mr. Farris had oversight of the Minimum Wage Board, the Workmen's Compensation Act and, also, of the Moving Pictures Censor Board—as to which latter a large Deputation asked him, on Oct. 29, to have tighter regulations made in the interest, especially, of children. An incident of the year was an arrangement made as to the British Columbia House—the headquarters in London of Emigration action and of the work of the Agent-General, F. C. Wade, K.C., —by which a portion was leased to the Dominion Government for $15,000 a year and other changes made so that it came to represent an asset rather than a burden as it had been, financially,

for some years—though always a splendid advertisement for the Province.

Other incidents included a Convention of the Provincial Civil Service Association in Victoria (July 23) with N. R. Brown of Vancouver in the chair, (who was re-elected President), and a Resolution passed to take advantage of the Superannuation Act, and to elect representatives of the Civil Service to deal with the Civil Service Commission as to its working. A terrific flood-wave, 70 high, on Oct. 28, swept the mining town of Britannia, 50 miles north of Vancouver, carried away 50 houses, killed 36 persons and injured 15; arrangements were made by Hon. Mr. Pattullo, when in London, for 1,000 families to come to the Province and settle on the 200,000 acres under reserve north of the G.T.P. Railway in the Stuart Lake country; during 1920, automobiles numbering 29,092 were said to have crossed the United States boundary line into British Columbia, and to involve at least 116,000 visitors for places like Vancouver; the appointment took place of W. D. Carter, K.C., as Deputy Attorney-General of the Province and John Keefe, ex-M.L.A., as Clerk of the Legislative Assembly with the election of A. M. Whiteside as President of the Vancouver Bar Association, and of Sir Frank Barnard as President of the B. C. Division Red Cross Society. The new Census returns showed a British Columbia Population of 524,582 as compared with 392,480 in 1911, with Vancouver increasing by 16,000 and Victoria by 7,000 in that period.

The 1st Session of the Legislature in 1921. The Oliver Government had 26 Liberal supporters in the Legislature elected during 1920; against it, at times, were 4 Independents and 4 Labourites; against it, always, were the 13 Conservatives under W. J. Bowser. The Bye-election of Feb. 3rd, 1921, caused by Mr. Premier Oliver being elected in two constituencies, brought in A. M. Paterson (Lib.) of Ladner, by a majority of 676 over F. J. A. McKenzie (Cons.) who had, previously, represented the riding; the contest was a vigorous one with all Ministers and Opposition leaders taking part. The 1st Session of the 15th Legislature was opened by Lieut.-Governor W. C. Nichol on Feb. 8 with a Speech from the Throne which first referred to the Prohibition Referendum of 1920 under which the electors had voted as to continuance of the Prohibition Act or, in substitution therefore, a sale of liquors in sealed packages under Government control with the statement that legislation would be introduced to give effect to the decision in favour of the latter policy.

His Honour added that the Government, "through its Land Settlement Board, has let a contract for the construction of dykes to protect a large area of land at Sumas in the Fraser Valley"; that in this connection of aiding Agriculture, under the provisions of the Land Settlement Act, creameries had been established to encourage the dairying industry; that a sum of

money would be needed for subsidizing the use of explosives in the clearing of land for agricultural purposes and to assist the *bona fide* mineral prospector; that preceding legislation dealing with the matter of Irrigation was proving efficacious with the solution of the Irrigation problem now assured and the Irrigation project in South Okanagan District advanced considerably; that on the initiative of the Government a Conference had been arranged with the U. S. Bureau of Mines, to take place in September of this year, as to the standardization of mine rescue work and apparatus; that the system of Correspondence Schools introduced by the Department of Mines had received the approbation of numerous residents of mining districts who desired to qualify for positions of greater trust and responsibility; that work on the Trans-Provincial Highway had been carried on during the year, and that three important links had been completed. Legislation was promised along certain specific lines.

Meanwhile, Mrs. Ralph Smith had declined to be nominated for the Speakership and Alexander Malcolm Manson, B.A., M.L.A. since 1916, was elected by acclamation. The Address was moved by Capt. Ian McKenzie, Vancouver, and H. G. Perry, Fort George. The latter, in his speech, dealt with the riches and resources of his immense riding of 108,000 square miles and then handled Prohibition without gloves: "Under it we have been lawbreakers. It has proven a farce and a humbug, and the new Government Control Act must be so drafted that the bootlegger will disappear. British Columbia should not become a second Monte Carlo, or the Premier of the Province another Prince of Monaco." Dealing with the Peace River region, Mr. Perry stated there were 74,000,000 acres of land in that country and of this amount 30,000,000 acres were in British Columbia: "One-third is classed as good farm land; wheat yields 30 to 50 bushels per acre, and there has never been a crop failure; oats yield 70 to 100 bushels per acre and Oil seepages are found in various places; timber is abundant and minerals abound."

J. W. Jones of South Okanagan gave the Conservative view of conditions. He denounced the road work as all tied up by red tape, the farmers as without relief and the roads of the Province a series of mud and pitch holes; declared that the Civil Service of a Province with 500,000 people cost $3,212,000 a year; denounced the importation of $20,000,000 worth of food stuffs that could be raised at home; described the present Banking system as against the best interests of the farmers who could not secure loans necessary to carry on development work. After speeches by the Premier and Hon W. J. Bowser, Opposition Leader, and others, the Address passed in due course. Incidents of the Session included the passage of a Bill recognizing and regulating the practice of Optometry, and rejection of a Labour amendment proposing to establish the six-hour day (from bank to bank) in the Coal Mines of the Province.

The Constitution Act was amended to provide increased indemnities to members of the House with the salaries of

members raised from $1,600 to $2,000; the Premier's salary from $7,500 to $9,000, the Opposition Leader from $1,500 to $2,000, and the Ministers' salaries from $6,000 to $7,500; the only opposition was from Mr. Bowser, who, on Apr. 1st, attacked the Government, accusing them of insincerity and extravagance in voting themselves salary increases at a time when thousands of men were out of work, and hospitals and municipalities embarrassed for lack of funds. A measure was passed placing chiropractors and drugless healers under the provisions of the Medical Act with the necessity of passing an examination satisfactory to the Medical Council in a large number of subjects enumerated in the Act; another Bill ratified the agreement with the B. C. Anti-Tuberculosis Society for taking over and maintaining the Tranquille Sanatorium as a Provincial institution for the care of tubercular patients; a Loan Act was passed to borrow $400,000 to reimburse the B. C. Electric Railway Co. as the cost of changing tracks and equipment in order to adopt the "turn to the right" principle on the highways.

An Act to permit municipally-owned Cemeteries, Crematoriums and Mausoleums authorized the creation of a Board of Cemetery Trustees to manage such institutions, to borrow money, and to establish a Fund for their perpetual upkeep; the Companies Act was amended and consolidated in the light of ten years' experience, with various changes adapted from improvements in the English Act, and with special revisions in the provisions relating to extra-Provincial Companies as a result of the Privy Council decision in this respect; an Act relating to Trust Companies dealt with rights and powers of Provincial incorporation, placed the Share capital at not less than $250,000, restricted the borrowing powers of the Directors to 40 per cent. of paid-up Capital, ordered the deposit of a sum ranging from $25,000 to $200,000, in trust, upon registration and as security for its conduct of business, made a yearly certified report to the Government necessary and enacted rigorous rules as to the management and investment of Trust moneys and moneys received on deposit, and provided for official Government inspection at stated periods. The Elections Act was amended in various details and a number of other laws were changed in some specific item or phrase; a minimum age for admission of children to Industrial employment—not including agriculture, horticulture or dairying —was fixed at 14 years for male children and 15 for females.

The Hours of Work Act, with certain specified exceptions, enacted that "the working hours of a person employed in any public or private industrial undertaking or in any branch thereof, other than an undertaking in which only members of the same family are employed, shall not exceed 8 in the day and 48 in the week," and was to come into operation by Proclamation concurrently with similar legislation enacted by other Provinces of the Dominion; the Act relating to Devolution of estates in

Land was consolidated and amended into a Land Registry Act under which Land investments, conveyances, etc., were greatly simplified; subdivision plans were defined, restricted and elaborately dealt with in all details; registration in fee simple, transfers of land, tax sales, caveats and Assurance fund were dealt with in the fullest measure. Amendments to the Forest Act gave the Minister of Lands power under certain conditions to take a bond of $50,000 and authorized him to declare any specific area a pulp district in order to bring the manufacture of woodpulp or paper and the conservation of timber under control of the Department; made the issuance of pulp licenses and the reservation and sale of Crown timber subject to the approval of the Minister; authorized the Minister to enter into agreements with corporations having power to operate pulp-mills in the Province as to all moneys in arrears for fees, taxes, etc.

The B. C. Loan Act was approved and permitted the borrowing of $3,550,000 for specific purposes including $1,100,000 for the Soldiers' Land Act, $300,000 under the Forest Act, $1,000,000 for credit of the Conservation Fund under the Water Act, and $400,000 for the B. C. Electric Railway Co. The Pacific Great Eastern Construction Loan Act authorized the Government to borrow $4,000,000 to lend the Railway Company for (1) the repayment of moneys expended by the Government, and (2) for construction, equipment and operation of the Railway. Another Act passed, dependent for Proclamation upon similar action by other Provinces, forbade a woman employed in any commercial or industrial undertaking, from work during the six weeks following her confinement and forbade her employer dismissing the woman on account of this absence; the Coal Mines Act was amended as to the use of locked safety lamps and the Minimum Wage Act as to the work of women over 18 years of age. Another measure enacted that "women without distinction of age shall not be employed during the night in any public or private industrial undertaking, or in any branch thereof, other than an undertaking in which only members of the same family are employed," and a similar Bill applied the same enactment to young persons under 18 years of age. By special Act, the City of Phœnix was disincorporated and its Letters Patent annulled with all debts and taxes paid. The Water Act was largely amended to facilitate Irrigation plans and waterworks. An elaborate Act of a technical nature related to the Corporation of the City of Victoria. The important Liquor Control Act is dealt with separately. The Legislature was prorogued on Apr. 2nd after disposing of 85 measures.

The 2nd Session of the Legislature in 1921. This Session was opened by His Honour W. C. Nichol, on Oct. 18 with a Speech from the Throne which first stated that during the recess investigation had been made into the financial conditions of the Municipalities, and legislation would be submitted providing for extension of the sources of their revenues; promised

amendments to the Taxation Act in order to apportion more equitably the burden upon all classes of property and persons; estimated that the financial provision made at the last Session for the P. G. E. Railway would prove adequate for the completion of the Line to Prince George; mentioned that valuable information respecting a feasible route to connect the Coast with the Interior links of the Trans-Provincial Highway had been assembled and would permit decision of the route and early undertaking of construction; promised a Bill for the better investigation and prevention of fires, with minor amendments to the Government Liquor Act and other measures.

The Address was moved by J .B. Clearihue of Victoria and A. M. Paterson of Delta, and was debated at length. Mr. Bowser criticized the Government in detail and with intimate knowledge of the details; G. S. Hanes returned to his yearly attack regarding P. G. E. Railway finances and conditions. Hon. J. D. MacLean defended the Civil Service salaries and declared that new Departments added since 1915-16 accounted for $156,250 of the increase, while the scale of salaries paid in 1920-21 was about 32 per cent. greater than the scale paid for similar work in 1915-16; that the increase in salaries outside of the Service was very much greater and the rise in the cost of living greater still, and maintained that a total of $2,800,000 was not an unreasonable advance upon the $2,100,000 of 1915-16. J. A. Catherwood (Cons.) denounced the Government for not aiding the settlers of Nicomen Island when the floods in 1920 caused them a loss of $140,000 with a similar amount in 1921.

He moved, on Nov. 3rd, an amendment to the Address declaring that: "This House regrets the attitude of the Government towards the petition of settlers in dyked areas for effective action towards securing their dykes against destruction by erosion of river banks." Mr. Bowser and the Opposition supported the Resolution, but it was voted down by 26 to 12, and the Address then passed. During this debate the P. G. E. Railway was a constant source of discussion, and, on Nov. 3rd, Mr. Premier Oliver spoke at length upon the matter and hit back at the Opposition leader for his many attacks of this and the preceding Session, by claiming that when Mr. Bowser was Premier: "The P. G. E. Company bought the Colmer and Borland ranches at Williams Lake, and Bowser, Reid & Wallbridge received $1,000 for passing the title. I hold in my hands 15 other P. G. E. agreements. They were all handled by the firm of Bowser, Reid & Wallbridge."

During the earlier Session various attacks had been made upon Dr. A. R. Baker, Chairman of the Game Conservation Board and a prominent Liberal. On Nov. 14, R. H. Pooley (Cons.) made a series of specific allegations. He charged Dr. Baker with (1) the use of Government motor cars and launches for his own personal needs; (2) with using Government moving-pictures for political purposes and selling Government pictures to

Japan without accounting for the funds; (3) with supplying pheasants in large numbers, raised at the expense of the people, to his own preserve; (4) with wasting public funds and wrongfully hiring and dismissing men and illegally paying them in cash without vouchers; (5) with falsifying the records of this House; (6) with being in collusion with a certain firm in Vancouver in the illegal buying and selling of beaver skins for personal gain; (7) with buying and selling beaver skins for his own personal use and benefit. There were a number of other similar allegations and Mr. Pooley demanded, by Resolution, a Select Committee of Enquiry into the whole matter; Mr. Farris, Attorney-General, moved an amendment asking the Lieut.-Governor to appoint a Royal Commission, and, after a heated debate, this was carried by 22 to 20 (Nov. 17) with 5 Independents and 2 Liberals supporting the Opposition. Meanwhile, Mr. Farris had suspended the Chairman and the Chief Game Warden and, on Nov. 24, H. C. Shaw, a Vancouver Magistrate, was appointed Commissioner to investigate the matter; Dr. Baker at once tendered his resignation to apply irrespective of what the result might be. Many witnesses were heard in the next month or so, but no decision was reached at the close of the year.

During the Session Major R. J. Burde tried to get through a Bill to amend the Hours of Work Act passed at the previous Session, providing for an 8-hour day in industries and sought to make it effective on May 1st next instead of after other Provinces had taken similar action; he frankly obstructed proceedings in order to get a direct vote on the subject and, finally, met defeat by 24 to 15 while Labour members moved a clause of this kind in respect to 5 other Bills only to be defeated on division. The Government and the Opposition leader both voted against the proposal. A Resolution, on Dec. 1st, describing the growing importance of the Peace River and Fort George Riding, in particular, and asking for more representation, was answered by a Government amendment stating the desirability of a general "Redistribution of seats with regard to population, area, geographical position and community of interest." This was carried by 29 to 13. A Government Resolution, which passed unanimously on the same day, stated an understanding with the Dominion Government at a Conference in 1919 that the latter would introduce legislation as to Old Age Pensions and urged the Federal authorities to carry out this pledge or understanding.

On Dec. 2nd the Select Committee on Agriculture, with Dr. K. C. MacDonald as Chairman, reported to the House and urged (1) an increase in the agricultural population of the Province; (2) deprecated the competition of Orientals in production and in the acquisition of large tracts of fertile land; (3) suggested further extension of the Farm Loan system and the establishment of reservoir stock farms under the Land Settlement Act; (4) urged the Government to adopt a land-clearing policy through the Settlement Board, and asked for agricultural representation on the Game Conservation Board.

Legislation of the Session included the usual large number of amendments to existing Acts, in details too numerous to mention here, with a rather elaborate re-adjustment and amendment of the Boilers' Inspection Act and of that dealing with the Sale of Goods in Bulk; an elaborate Act as to Fires and Fire-escapes was passed which provided for the appointment of a Provincial Fire Marshal, with assistants, for the investigation and record of all Fires. for the inspection of Fire hazards and facilities for escape from buildings, and for the establishment of a Fire Prevention Fund through yearly contributions from Fire Insurance Companies. The Forest Act was amended so as to provide for the disposition of timber either by public auction or public tender; certain old leases which carried a low rental and a low royalty and had not been changed into perpetual licenses were given until Mch. 31, 1922, to exchange leases for licenses upon payment of $1.00 per acre, and would thereafter pay the current license fees and royalties. It was made clear that a pulp license stood in the same position as an ordinary timber license in case of failure to pay prescribed fees. An extension of time was granted for survey of unsurveyed license districts, pulp-wood was defined and provision made that all timber from pulp licenses used for pulp purposes were to pay pulp royalty, while all timber put through the saw-mill would pay saw-mill royalty. Provision was made to bring all the scaling service into the Civil Service.

An Act was passed authorizing a $5,000,000 Loan at 6 per cent. for Land Settlement purposes and the Public Service. Some rather important, though brief, amendments were made to the Companies Act, the Co-operative Associations Act, the Health, Highway, Infants, Land Registry, Land Settlement, Land, Mineral Placer, Mining, Mothers' Pensions, Motor Vehicle, Municipal, Succession Duty, Taxation and Trustee Acts. Amongst the Private Acts the revision and consolidation of the Vancouver Charter was the most important. The Act to provide Aid to Municipalities was the product of long discussion, and it evoked expressions of dissatisfaction from the Municipalities. It provided that the Minister of Finance should assist the Municipalities of the Province by paying to them a sum equal to one-third of the aggregate of the annual license fees hereafter collected under the Motor Vehicle Act and, also, an amount equal to the aggregate of taxes collected under the Amusement Tax Act in respect to betting at race-meetings by the *Pari-Mutuel* system. There was, also, the 50% Profit clause in the Liquor Act. The Amusements Tax Act was amended so as to charge on all *Pari-Mutuel* race tracks a tax equal to 10 per cent. of the price of admission or, when no admission was charged, a tax of 10 cents.

The Act to assess, levy and collect Taxes on Income and Personal Property made all personal property within the Province and all income of every person resident in the Province and

such property or income held or earned within the Province by persons not resident, subject to assessment and taxation. The rates on Net Income ran from 1 per cent. up to $2,500, 2 per cent. additional upon $1,000 up to $3,500, 3 per cent. additional up to $4,500, 4 per cent. additional up to $4,500 and so on by similar stages up to 10 per cent. upon the difference between $9,500 and $10,500—after that the rate was 12½ per cent. upon amount by which the Net income exceeded $10,500 and did not exceed $19,500 with special rates above this income. There were, also, provisions for yearly returns and enforcement. In the personal property part of the Act there were many exemptions—property in transit, household furniture, wearing apparel, books, pictures, produce of the land or property used in business, sawlogs and items held under license, property of all public institutions, etc.; all corporations were made subject to a taxation of 2 per cent. on gross income including public utilities, Loan, Insurance and other Companies, while special rates were levied on Banks including $3,000 upon the chief banking office or agency in the Province and $500 for every other Provincial branch; assessment rolls and Courts of Revision were provided and conditions for recovery of taxes. The House was prorogued on Dec. 2nd and shortly before this Dr. W. O. Rose, Conservative member for Nelson, and M. A. Macdonald, K.C., Liberal member for Vancouver, resigned to accept nominations in the Federal elections.

B. C. Government Control of Liquor; Financial Affairs and Mr. Hart's Budgets.

The unsatisfactory operation of Prohibition in 1920; the difficulties of controlling the import or export of liquor under local conditions; the fact that a great many, probably a majority of the people, were opposed to it, made some other policy or line of action seem necessary; interjected into the situation was the continuous criticism and attack upon the Government by Mr. Bowser and the Opposition for alleged non-enforcement of the law; there was, also, the fact of the Moderation League being strong and its activities incessant while returned soldiers, clubs and various organizations were insistent upon the right to use and sell beer or wine. In the Legislature on Feb. 11 the Hon. John Oliver moved the House into Committee and explained the Resolutions for discussion.

He recited the facts leading up to the submission of the Prohibition Referendum in 1916, claimed the will of the electors of the Province on that issue had been defeated by fraudulent practices of agents of the late Government who took the vote overseas; referred to the dissatisfaction which developed over the Prohibition measure and was expressed in the result of the recent Plebiscite. He did not interpret the result of the poll as an instruction authorizing the return of the bar or the drinking saloon, but rather as an instruction to make available, for use, spirituous and malt liquors in reasonable quantities, at a reasonable price and subject to reasonable restrictions. Under the existing system, boot-legging was rampant and

bitter complaint was made by the Municipalities because they had been deprived of the revenue from Liquor licenses and yet were compelled to enforce the Prohibition Act. The Government felt that the Municipalities had the police, the machinery and the knowledge of local conditions which it would be impossible to duplicate and that they could best ensure the sympathetic co-operation of the Municipalities by making it to their financial advantage through receipt of a percentage of profit arising from the operation of the new system—say 50 per cent. The broad details of the proposed Act were given as administration by a Commission, with Government Liquor stores, and a system of permits; questions concerning Clubs, the handling of beer and supply of liquors to visitors were not dealt with. In its presentation of this general policy the Government took a rather unique line and, in order to insure non-party action it proposed that the House should petition the Lieut.-Governor to present a Bill embodying a reasonable and moderate policy. Mr. Bowser and the Conservatives protested against this action as unconstitutional but on Feb. 16 the Petition was passed by 29 to 14—seven Independents voting with the Government. There was, of course, wide discussion of what was called the forthcoming Moderation Bill; the Government did its best to have the legislation non-political, but without success as the above division proves. On Feb. 23 Hon. J. W. de B. Farris introduced the Government Liquor Act in a careful speech which reviewed the measure in detail; the law as to drunkenness was made drastic and Permits were surrounded with every sort of safe-guard; Inspectors were given wide powers and enforcement was made obligatory upon Municipalities; severe penalties were imposed for infractions of the Act—a first offence as to illegal sale of liquor carried a six months' term of imprisonment with hard labour; a 2nd offence could mean 12 to 21 months' imprisonment with hard labour; if the offender was a corporation, a fine of $1,000 could be levied for a first offence, with a 2nd one leaving the offender open to a fine of not less than $2,000 and not more than $3,000. In the case of individuals violating sections of the Act, other than by illicit sale, a third offence involved imprisonment for from 3 to 6 months without option of a fine. The details may be summed up as follows:

1. Permanent residence permits to cost $5.00 per annum and non-residents to pay $5.00 for 30-day permits; temporary permits to cost 50 cents.
2. One quart bottle the limit of single purchase; uniform prices throughout the Province and consumption of liquor permitted guests in Hotel rooms.
3. Drunkenness in any place to constitute a punishable offence and no drinking in public places allowed, with no display signs permitted as to sale of liquor.
4. "Sealed package" to mean anything from a bottle to a barrel; a tax of $2.50 per quart upon all liquor not bought from Government and hereafter imported.
5. Existing private stocks to be marked by Government stamp and warehouses to pay license fee of $3,000 per annum.
6. Government stores open 8 hours daily; closed on holidays and election days and no liquor sold to those under 21 years of age.

7. Offence against the law for host to permit drunkenness in his home and excessive drinking to lead to loss of permit through interdiction.
8. Inspectors given right of entry and search and municipalities to receive half of profits.

As to details the Permits were of three kinds—residents of Province good for one year; special and limited in amount for persons only desiring to make a single or occasional purchase; a non-resident Permit for visitors from outside of the Province. The Liquor Control Board was given the widest possible powers subject, however, in their use and in fresh regulations, to Government approval; the Commissioners were subject to removal for cause. All liquor purchased under permit from a Government liquor store must be in a sealed package, which could not be opened on the premises. In the House on Feb. 24 the Premier stated that: "The whole intent of the Act is to put the sale in the hands of the Government so that people may obtain liquor under certain conditions which will prevent its abuse and illicit traffic. The high taxes on wholesale houses are to help us overcome constitutional difficulties about private importation. The tax of $2.50 a quart on imports is made designedly heavy so as to be prohibitive of importation." On Feb. 28, in a crowded House, Hon. W. J. Bowser dealt with the Bill. He first declared that the Government had been compelled to take the "constitutional course" of bringing it in as a Government Bill; the Conservatives now would help in getting a satisfactory measure through.

But he criticized the Government for failure to provide for the appointment of a non-partisan Board of Control, asserted the 50-cent permit was a provision under which the bootlegger would flourish and that, under the guise of special permits issued by a partisan Board, the prohibition against drinking in public places could easily be got around. In Quebec the Board was non-partisan; here he had grave doubts as to the matter. He claimed that unless Ottawa passed legislation, the new Bill would not enable the Province to stop importations of liquor; that in any case the provision for a $2.50 tax on liquor imported and not stamped was *ultra vires* of the Province. Elaborate debates and much dissussion followed but, finally, the 3rd reading was passed on Mch. 31. A strong and repeated effort was made to permit Hotels, Clubs, etc., the right to sell Beer but on Mch. 23 the House by 32 to 12 adopted an amendment by M. B. Jackson to the effect that no one, other than a Government vendor, should sell or deal in any liquid known or described by any name commonly used to describe malt or brewed liquor; it also voted down Ian Mackenzie's amendment to raise the limit for non-intoxicating liquors from one per cent. alcohol by weight to two per cent.—supported by Messrs. Pattullo, King, Hart, Sloan and Farris of the Government; on the 31st another amendment by Thomas Uphill in favour of a Beer clause was rejected by 36 to 11 despite his claim that the Bill made it easy to get hard liquor and difficult to get good beer.

As finally decided, the Government Liquor stores were to sell beer as well as whiskeys and wines—but not by the glass. On Apr. 13th the composition of the Liquor Control Board was announced as including A. M. Johnson., K.C., who resigned his position as Deptuty Attorney-General, (Chairman), J. H. Falconer, a business man of Vancouver, and Lieut.-Col. W. N. Winsby, Inspector of Schools, Victoria; the salary of the Chairman was to be $6,500 and of the two other Commissioners $5,500 each. On May 16 James Paterson was appointed Purchasing Agent for the Board at a $400 monthly salary. The B.C. Prohibition Act went out of operation on June 15 and Government control, under the new Liquor Act, took its place; six liquor stores were at once opened in Vancouver and Victoria and it was announced that the store hours for liquor sale in Coast cities would be from 11 to 12 a.m. and 1 to 7 p.m., every week day and in up-country towns the same from Monday to Friday and on Saturday from 1 to 8 p.m. It was planned to absorb part of the charge of $1.65 upon liquor involved in the new Federal tax and the intention was that there should be one liquor store at least in every electoral riding, though if the people of any riding objected strongly the Board would not force one on them.

It was stated that all persons in British Columbia who had whiskey or other liquors, not bought from the Government, in stock, must send in to the Liquor Board, before July 15, a statement of the quantity and kind; the Veterans' Clubs, which had worked strongly for beer-selling licenses, announced on July 23 that they would continue selling beer to *bona fide* members, while the Attorney-General replied that the law would be enforced. On June 27 one of these Clubs was raided in Vancouver and one in Fernie, on July 7 four others in Vancouver, with several people arrested, and others in Victoria; the G.W.V.A. decided to fight the issue and, if necessary, carry it to higher Courts; local Police Courts found a number of the parties to the raids guilty and Army and Navy Veterans in Victoria appealed to the Supreme Court for a writ of prohibition against a local Police Court decision; Sir. C. H. Tupper, K.C., appeared for the Veterans and contended (July 29) that the Government Liquor Act constituted a monopoly in creating a Board to control the sale of liquor and that such a provision was in restraint of trade and therefore, conflicted with the B.N.A. Act. Mr. Justice J. A. Macdonald, however, did not accept the plea and dismissed the case. In the Police Court (Aug. 6) H. Despard Twigg, for the Veterans, admitted all the facts as to beer-selling but argued that those facts did not constitute a sale of beer within the meaning of the Act, but only a distribution of property of members amongst members of an incorporated organization; this was not accepted, however, and the Club, as a corporation, was fined $1,000. The case was appealed and on Sept. 6 Mr. Justice Murphy decided in favour of the Veterans and of Mr. Twigg's contention.

Meanwhile the Prophibitionists were not idle in face of these decisions and of the lavish advertising appeals by the Moderation League for a right to sell beer by the glass; they were handicapped

by the lack of an organ—the Vancouver *World* having been acquired by the Liberals since the last voting on this issue. At Victoria on May 23 a Committee Report to the local Methodist Conference was accepted; it declared that the people had instructed the Government to provide an adequate control of the drink traffic and not to permit "the sale of liquor in unlimited quantities and for the purpose of raising revenue." The Rev. Dr. Sipprell, a Methodist Minister of Victoria, put the issue as follows on June 12: "The Government for the first time in this Province, takes the Liquor traffic out of the hands of private management and puts us, as electors, in the position of being engaged in the buying and selling of liquor." On Oct. 25-26 the People's Prohibition Association held a Convention at Vancouver with many representatives of W.C.T.U. organizations throughout the Province, members of the I.O.G.T. and Royal Templars of Temperance present, and 468 delegates altogether. The Secretary, Rev. W. G. W. Fortune, declared the present Act doomed to failure and the objectives aimed at by the Convention were described as (1) Repeal of the Act and prohibition of sale within, or importation into, the Province of liquor for beverage purposes; (2) due observance of the Prohibition law as it shall assuredly be this time enacted; (3) the securing of complete Dominion Prohibition. G. O. Buchanan of New Westminster was elected President in succession to William Savage, and a Committee of 100 selected from all over the Province to press the issue of Prohibition.

At the 2nd Session of the Legislature there were some heated debates upon the Act and its enforcement. On Oct. 27 W. J. Bowser, K.C., attacked the Attorney-General in a long speech in which he claimed that mal-administration was creating conditions similar to those which existed under the Prohibition Act; he claimed that poor liquor was being sold, that former bootleggers were being given positions and in one case, appointed in charge of a Government store, that there was a "liquor-ring" surrounding the Attorney-General with certain Liberal stalwarts named as members. He proposed the appointment of a Select Committee to investigate these and other charges. In his reply, Mr. Farris stated that all liquor was purchased for the Board by the Agent, James Paterson, who had been recommended by Mr. Bowser, himself, for the position; he submitted a long list of the firms from which liquor had been purchased, the quantities, the kinds and the price. Mr. Farris protested earnestly against these vague and general charges and asked: "What is there in political life in this Province good enough to have to stand for this sort of thing? There is nothing this Province has to offer in public life to induce a man to endure and go through the kind of thing I have had to face for the last three years?" On the 28th Mr. Premier Oliver moved, seconded by D. Whiteside (Ind.) an amendment that the Opposition leader should submit "definite and specific charges of alleged wrong-doing directed against the person or persons so charged" in order that there should be a real enquiry, and this was carried by 24 to 18.

On Nov. 13, a large Delegation led by H. Bell-Irving, President of the B.C. Moderation League, waited upon the Government and

urged provision for the sale of beer by the glass in regularly-appointed places. In the House on Nov. 30, during the 2nd Session, Ian Mackenzie (Lib.) moved a Resolution favouring a Bill to permit the sale of beer by the glass in standard hotels and *bona fide* Clubs under licenses issued by the Liquor Board and subject to an approval majority vote at a Referendum to be taken upon the question. This was carried by a large majority and then the Speaker ruled the proceedings out of Order as touching public moneys and, therefore, requiring a Government measure. At the same time the House rejected an amendment to the Liquor Act embodying a Beer clause similar to the above. The Opposition, led by Mr. Bowser, had walked out of the House when the Referendum matter was presented as a protest against the Government not assuming responsibility in the premises; the Government had offered to take that course if the Opposition would not make the vote a party one or a want of confidence policy; the following voted for the Beer Referendum (chiefly Liberals) Messrs. MacLean, Pattullo, Hart, Barrow, Kergin, Sloan, Farris, Oliver, King, Sutherland, Anderson, K.C. MacDonald, Yorston, Perry, Paterson, I. Mackenzie, Burde, Uphill, Duncan.

The Government had, at this time, introduced certain amendments to the Liquor Act. These amendments were intended to tighten up the Liquor Act and they passed in due course. The definition of "sale" was enlarged and cleared of doubtful meanings and the personal prohibition as to selling was defined and emphasized; the labelling of all bottles of beer with name and place of the brewer was ordered, and so as to barrels; the manufacturer was permitted to purchase and import in bond from any licensed Canadian distiller such liquor as was required for his business. During these months the sale of liquor by the Government stores had been steadily increasing with, in September, an estimated average profit of $40,000 a week. The official Report of the Liquor Control Board to Sept. 30, stated the Assets at $2,502,741—including stock in hand of $1,849,477; the Liabilities at $1,961,135 of which $1,438,650 was in advances from the Provincial Treasurer, $313,346 in trade accounts, $184,753 in confiscated liquors and $541,606 in undivided profits; the Liquor sales of the period had totalled $2,228,918. At the close of the year a strong effort was made to deal with the Club difficulty. On Dec. 10, 18 hotel bars had been reported to have opened in Vancouver with the sale of beer to members of so-called Clubs at a 10 cent fee. The Board, first of all, checked the supplies of liquor by a limit of purchase to 24 pints of beer a day; on the 15th licenses were taken from 12 clubs in Vancouver and, at the same time, 30 of them were raided with more to follow. On Dec. 23rd the steamer Eastern Merchant arrived at Victoria from Hamburg and Liverpool with a shipment of 17,000 cases of spirits.

Mr. Hart's 1921 Budget Speeches. The Minister of Finance in British Columbia delivered two Budget speeches during this year. On Mch. 17 he made an optimistic presentation of

financial conditions though not without warning as to increased taxation. For the year ending Mch. 31, 1920, the revenue collected had been $2,293,600 greater than the estimated revenue for the year, and $351,330 greater than the combined expenditures on both current and capital accounts; the estimated revenue for the ensuing year was placed at $17,010,595 or an increase over the current fiscal year of $3,032,350 with unexpectedly large returns from the Attorney-General's Department, or in other words, from the Government sale of liquor. Mr. Hart blamed the heavy burden of the Pacific Great Eastern for the borrowings of the past few years and anticipated more in the futue for the same purpose. No new taxation of any consequence was announced. One amendment changed the taxation year for Income and Personal Property taxes from the end of September to Mch. 31, with a penalty of one per cent. a month on taxation arrears; the Mining companies of the Province were given a long-sought concession in an allowance for depletion of ores and a concession was given to timber holders in the equalization of assessed values of Crown-granted timber limits.

The Province was living within its income which, at this period, was an interesting statement: "By the balance sheet for the year ended Mch. 31, 1920, it will be seen that there was an excess of capital Assets over Liabilities to the amount of $9,534,726 and of current Assets over Liabilities to the amount of $3,782,017 or a total excess of Assets over Liabilities (capital and current) amounting to $13,316,744." The funded Public Debt, as at Mch. 31, 1919, was $27,471,936 and on Mch. 31, 1920, the total was $34,071,-936. Against this there were Sinking Funds amounting to $5,-837,600, leaving the Net Debt at that date $28,234,335. Of the $6,500,000 which was borrowed $5,450,000 was advanced to the P.G.E. Company to continue construction, $300,000 to the Land Settlement Board for the purpose of loaning to Agriculturalists and $750,000 was loaned to municipalities under the "Better Housing Act." Since the above Debt particulars, $17,000,000 more had been borrowed of which $8,828,000 went into the P.G.E. Railway, $611,000 to Better Housing and $1,000,000 for Land Settlement and associated objects with temporary borrowings under Treasury Bills of $7,360,000—for Highways, P.G.E., University, etc. The net Provincial indebtedness on Mch. 1st, 1921 was stated at $46,000,000.

In his speech, Mr. Hart reviewed the agricultural Loan and Deposit systems of Ontario and Manitoba, and hoped to present a future policy along these lines to the Legislature. As to Arrears of Taxes, the Minister stated that: "The total arrears, on Dec. 31, 1920, amounted to $2,768,439 or 30 per cent. of taxes levied, but there had been cleaned up over $3,000,000 of arrears outstanding when this Administration took office and which had been owing as far back as 1904." The Audit system had proved a great success and "since its inception in 1918, 1,310 audits have been made, at a total cost to the Government in salaries and all expenses of $31,222 with a result of $1,652,932 added to the rolls as extra revenue

which would have been lost had not these audits taken place." As to the controversy with the Municipalities—which continued all through 1921—Mr. Hart said: "Their difficulties are largely the aftermath of the boom, accentuated by the years of war following, and are not confined to this Province; if a comparison is made with the other Western Provinces, I believe the position of our Civic bodies will be found to be encouraging."

As against the Minister's view and the Government's position —which was modified in December by the grant of some special Tax proceeds with, also, 50 per cent. of the Liquor returns—the Municipalities claimed that the taxation system in the Province had broken down, as proven in the 1920 Report of the Inspector of Municipalities, which showed outstanding arrears of Municipal taxation of $12,094,121 although millions of dollars of arrears had been written off because the property had reverted to the municipality at tax sales with, also, a shortage in the Sinking funds of $5,289,012 due to illegal investments. Provincial loans during 1921 included $2,000,000 sold during March in Toronto to the highest bid of 14 financial concerns at 103.77 for 5-year, 6 per cent. bonds; $3,000,000 5-year, 6 per cent. bonds payable in New York funds and sold to Pacific Coast firms in April; $3,000,000, 20-year, 6 per cent. bonds sold to A. E. Ames & Co., and Wood, Gundy, & Co., Toronto, during June for P.G.E. Railway construction; $2,000,000 of 5-year, 6 per cent. bonds sold in New York during July; $1,000,000 of 20-year, 6 per cent. coupon gold Bonds sold in August in Toronto with also $2,000,000, 25 year, 6 per cent. coupon gold bonds; $1,000,000, 5-year, 6 per cent. bonds sold in New York in September, with $2,000,000 of 25-year, 6 per cent. bonds to Wood-Gundy, Toronto, early in October; $2,000,000 more of 20-year, 6 per cent. Bonds payable in the United States sold at the end of October to Dominion Securities Corporation, Toronto, and resold by them in New York.

The Minister's second Budget Speech was on Nov. 11 and was prefaced by the statement that: "British Columbia is coming through the troublous period of post-war reconstruction with less friction and greater success, I think, than any other portion of the Dominion. That this is so is a tribute to the Government of the day," and he pointed to the balance-sheet for the year ended Mch. 31, 1921, which showed an increase in capital Liabilities of $12,430,500 during the year and up to that date by the issue of securities. "The funded Public Debt of the Province," (on Mch. 31, 1921) said Mr. Hart, was $46,511,436, against which were Sinking Funds of $6,981,432, leaving the net Debt of the Province as $39,530,003. Since then, up to Nov. 1st, 1921, further sums had been borrowed bringing the total funded Debt to $61,851,436, against which Sinking Funds had accumulated of approximately $7,900,000, making the net funded Debt at that date $53,951,436." This total Debt was incurred for the following purposes: Consolidated Revenue, $28,609,216; Land Settlement Board, $3,500,000; Dyking debentures $445,000; P.G.E. Railway, $18,330,720; Public Works and roads,

$1,500,000; Soldiers' Land Act, $2,360,000; Conservation or Irrigation works, $1,550,000; Department of Industries, $1,025,000; Better Housing scheme, $1,701,500; B.C. University, $100,000; B.C. Highways, $3,000,000; South Vancouver loan, $790,000.

The Minister stated that the Revenue for the year of Mch. 31, 1921, was $15,219,264 or $1,241,019 over the estimate while the Expenditures were $19,626,680 or a saving from the appropriations of $2,000,000. Mr. Hart referred at length to the Municipal "drive" for Government assistance, described the official enquiry, made through questionnaires into the situation, and gave an elaborate review and analysis of the whole position of affairs including the inflated assessments of boom days and the deflated values of 1921. He offered detailed and apparently valuable suggestions as to future Municipal policy and action.

The chief items of Revenue in 1920-21 included Land Registry fees $412,575 and Motor traffic fees $582,082; Prohibition Act profit on Liquor sold $222,526; Dominion subsidy, etc., $623,135; Amusements Tax, $346,879 and Income Tax $2,005,973; Interest account $619,554 and Land Taxes $1,908,154; Poll Tax $909,603, Succession Duties $342,259, Timber licenses, leases, sales and royalties, $3,965,140. The chief items of Expenditure were $2,222,139 on the Public Debt; $434,971 on Provincial Police and $284,454 on Mothers' Pensions; $3,076,944 on Education and $1,307,951 on Land services, surveys, etc.; $299,583 on Mines and $1,215,441 on Mental and other Hospitals; $2,288,572 on Roads, streets, bridges, and wharves and $201,052 on Steamboats and Ferries. Capital account included $1,143,832 expended on Sinking Funds, $591,134 on P.G.E. Railway, $265,888 on Industrial School, $297,857 on Main Highways, P.G.E. Guarantee note, $175,515, Soldiers' Land Act $644,388. The estimated Revenue was $13,978,245 and actual $15,219,264; the estimated Expenditure $13,960,711 and actual $15,236,931; the estimated capital account Expenditure was $3,449,961 and actual $4,389,749.

During the Budget debate the Conservative Opposition denounced these facts and figures with energy. J. W. Jones (Nov. 15) described the Debt of $55,000,000 as appalling for the small population of the Province; described the last year's borrowings of $17,000,000 as almost as great as the entire Provincial Debt when the Conservative Government left office in 1916; claimed that, including revenues and loans, the Government had eaten up $100,000,000 in five years. Mr. Bowser, the Opposition leader on Dec. 2nd, stated that the Government had borrowed $42,000,000 since it took office; now it was asking for 5 millions more which would bring the total up to 22 millions in a year. He claimed that in the last fiscal year Interest on money borrowed in that year totalled $2,829,632; this year's interest charges would be over 4 millions.

Education and Other Interests of the Year in British Columbia.

The Hon. J. D. MacLean, Minister of Education, in his Report for 1920-21, dealt with a total enrollment of 85,950 pupils and a 79·69 per centage of regular attendance. There were 2,734 teachers of whom 251 were in the High Schools, 1,077 in the City Graded Schools, and 644 in the Rural and Assisted Schools; there were 52 High Schools with 7,259 pupils and 894 Public Schools with 78,691 pupils and the organization of 57 new Public Schools in the fiscal year of June 30th; the Government expenditures on Education in the year were $2,931,572 compared with $2,155,934 in 1919-20, and $1,032,038 in 1912-13. The cost per pupil was $29.01 as against $17.91 in 1912-13. The teachers numbered 595 males and 2,139 females and 433 had academic standing, 490 1st Class certificates, 1,105 2nd Class, 418 3rd Class, 139 were temporary and 149 special.

The Vancouver Report showed night schools with 1,686 students and 42 teachers and subjects of instruction ranging from Electrical engineering to Ladies tailoring and from Plumbing to Mathematics with also, modern languages, Music, Elocution and Teachers' Courses. The Vancouver and Victoria Provincial Normal Schools had an enrollment of 328 and the Technical Education organizer reported 79 Manual-Training centres in the Province, with 62 instructors, 8,349 elementary pupils and 1,436 High School pupils attending; there were also 51 Domestic Science centres with 46 instructors, 6,362 elementary pupils and 1,326 High School pupils in attendance. Night schools were conducted in 21 cities and Municipalities with 3,197 students; Agricultural education showed school gardening in 119 Schools with 6,199 pupils and school-supervised home-gardening conducted in 56 Schools with 721 pupils —competitions were largely carried on and Boy's and Girls' Clubs flourished; the Summer School for Teachers at Victoria (July 4 to Aug. 13) was attended by 207 and Courses in Rural Science, Art, Vocal Music, and Household Economics were conducted with many lectures on special subjects; the Free text-books distributed in the fiscal year numbered 267,188 at a cost to the Department of $86,-512 as against a selling price to the public under ordinary conditions of $130,436; under the Strathcona Trust, 299 prospective teachers were granted physical-training certificates with a total of 3,591 to date.

On Apr. 4 the Minister opened the new Vancouver Technical School and, on May 21st, stated in a press interview that 41 new schools had been opened by the Department since July 1st, 1920, with 13 new schools or additions authorized and 78 new institutions, towards which the Department had made grants, erected or in course of construction. S. J. Willis, Superintendent of Education, stated, at the same time, that several new text-books had been authorized including *A History of England for Public Schools*, published by Macmillan's; that the Teachers' Employment Bureau organized in 1920, had secured positions for 86 teachers and had helped many others to secure schools by sending them lists of vacancies;

that the B.C. Correspondence School, established in 1919, for the primary purpose of assisting men and boys engaged in coal mining and who desired to prepare themselves for certificates of competency under the Coal Mines Regulation Act, had proved successful with 125 students enrolled in the various courses and 243 pupils living at lighthouses or at distant points in the Province.

During this year there were several teachers' strikes in the Province—the most notable at New Westminster, on Feb. 13; on the 14th of that month the School Board intimated that if the teachers did not return to their duties by the 17th inst. the positions would be considered vacant; on the 21st the schools were reopened under an agreement by which the School Board recognized the Teachers' Association, agreed to fix all salaries by a sort of collective bargaining and to submit salary issues to arbitration. The B.C. Teachers' Federation met at Vancouver on Sept. 2-4, and passed the following Resolution: "That this Federation respectfully asks the Department of Education to establish in British Columbia a Board of Reference to which all contentious cases arising between School Boards and teachers shall be referred." H. Charlesworth, General Secretary, expressed to the Vancouver *Province* (Sept. 2) his strong aversion to such strikes; the few that had occurred were after the teachers had exhausted every means of settlement. Representatives were present from 30 centres in the Province and J. G. Lister was elected President.

At the close of the year the New Westminster matter was up again and, on Nov. 25th, 87 out of a total staff of 92 teachers, resigned. It appeared that the question of salaries had been submitted to an Arbitration Board including H. Charlesworth of the B.C. Teachers' Federation; that the Award was accepted by the School Board on a single vote majority and that this was afterwards reversed. Chairman T. J. Trapp of the Board made the succinct statement on Nov. 29 that: "When there is an epidemic, one closes the schools. This is an epidemic—a Bolshevik epidemic." The Board evidently shared his opinion, it accepted the resignations, and decided to advetise for a new staff; at the same time, the B.C. Teachers' Federation stated that they would refuse to serve the people of New Westminster till the award was accepted. Another incident of the year was the dismissal (July 24) of Alex. Robinson, B.A., LL.D.—who, in 1919, had been impelled to resign as Provincial Superintendent of Schools—from the Principalship of Victoria High School; the reason given was discord in the staff and inefficiency in the school. At this time, also, G. H. Deane was appointed Municipal Inspector of Schools in succession to Colonel Winsby.

The University of British Columbia was severely handicapped during the College years beginning in October, 1920 and 1921. Lacking adequate accommodation and sufficient Government support, the institution suffered the loss of a great many students to Eastern Universities, and, also, to those in Washington and Oregon. In August, 1921, the University of Oregon formally offered to take the surplus of British Columbia students from the University, but this courtesy was not accepted. The Provincial appropriation for the year was $445,000, with

$672,000 asked for. It was claimed by friends of the University that it was being strangled for lack of sufficient financial aid and adequate accommodation. There were, in April, 1921, nearly 1,000 students being taught in temporary buildings adjoining the General Hospital.

The enrollment of the University increased from 1167, in September, 1920, to 1226 in September, 1921, and, in addition, short courses were conducted by the Department of Soldier's Civil Re-Establishment during 1920-21 with 480 students registered. On May 12, at the 6th Convocation, 129 Degrees were conferred or an increase of 60 over the year before. The Teaching staff, at the end of 1921, included 119 members with 5 others employed for extension and research work. The University Department of Agriculture, opened in September with a full staff and completion of its Extension service with, also, improvements in buildings and additions to stock at the University Farm, Point Grey. Appointments to the Faculty in 1921 included M. Y. Williams, B.Sc., PH.D., Geology and Mineralogy; Miss M. L. Bollert, M.A., as Dean of Women Students; G. C. Davidson, PH.D., History; L. W. Gill, M.Sc., LL.D., Mechanical Engineering.

The Oriental Question at the Coast. The immigration, occupation, character and competition of the Japanese and Chinese worker in British Columbia continued to attract discussion in this year. The Oriental seemed to successfully undersell, out-work and freely compete in many lines of trade and business and investment with the white worker; the feeling against him seemed to grow in strength as the months passed on. The B. C. Fruit Growers' Convention, at Nelson (Jan. 20) endorsed a Resolution calling upon the Provincial Government to enact legislation so that Oriental growers of produce should have to brand or mark the source of production on every commodity before marketting it. On Feb. 28 members of the Advisory Board of the Farmers' Institutes from all parts of the Province appeared before the Agricultural Committee of the Legislature to ask that the Government gather information on the extent of Oriental land holdings, and to help in bringing about a revision of the Anglo-Japanese Treaty in 1923. "Our chief menace is from the Japanese," said L. E. Taylor, of Kelowna: "We have found that where the Chinese lease 500 acres they own 100. But with the Japanese when they lease 100 acres they own 500 acres." A. M. Paterson, of Delta, declared that the Orientals had control of the markets in Vancouver and other cities: "Things are going on so quietly that they are not noticed," said G. E. Whitney-Griffiths, Chairman of the Board: "By the natural increase of population you are going to have 500,000 Orientals in British Columbia in 10 years." The Delegation also asked for restriction of Oriental land holdings.

According to the terms of the Anglo-Japanese Treaty, the Japanese had full privileges in Canada as to business enterprises and full rights of protection under the law. The British Columbia Orders-in-Council passed, from time to time, provided that where Crown lands and Government enterprises were concerned, full privileges could not be enjoyed by the Orientals; nor could Japanese and Chinese be employed on Government works. These conditions were confirmed by the Legislature in its first 1921 Session under strong protest from the Orientals of the Province, and an official one from the Japanese Consul-General; a case taken to the B. C. Supreme Court resulted (Sept. 8) in Mr. Justice Murphy's decision granting an injunction against the Government and preventing any prohibition of employment of Japanese or Chinese by holders of timber licenses. The case went to the Supreme Court of Canada, and the Government again lost. Mr. Farris, Attorney-General, then carried the matter to the Privy Council, where it was under consideration during the balance of the year.*

*NOTE.—Decision given on Feb. 7, 1922, declaring the legislation *ultra vires*.

Meanwhile, following the Farmers' representations, Hon. Mr. Barrow had enquiries made and reported, on May 28, that, according to an investigation made by Government agricultural officials, 1,080 Orientals controlled 26,918 acres in British Columbia, of which 367 acres were orchard lands, 2,341 acres of small fruits, 10,659 acres of truck farms, 515 acres of dairy farms, and 3,677 acres of land used for mixed farming. There were 492 Japanese and 116 Chinese owning land to the extent of 14,050 acres. There were 9,000 acres of land in British Columbia owned and leased by Japanese, and of that total 8,500 acres were absolutely owned by Japanese. There were 15,000 acres owned or leased by Chinese, of which 4,970 acres were owned by Chinese.

On July 19th a public meeting at Vancouver, with F. W. Walsh, President of the Trades and Labour Council, in the chair, decided to form a B. C. Asiatic Exclusion League, and the acting Secretary submitted a statement as to the Vancouver business interests of the Orientals: "There are 56 Chinese and Japanese tailor shops in the city, each employing at least three persons; 700 Chinese and Japanese employed in the hotel and restaurant trade; every coastwise ship and many tugboats have numbers of Chinese employees; there are 15 Chinese and 60 Japanese barber shops in the city, each employing at least two persons; the employees of the district sawmills are nearly all Orientals." Later on, the organization was got into shape with objects as follows: "To educate the white population as to the menace of Oriental immigration; to pledge every candidate running at the next Dominion election to support a stated policy for exclusion of Orientals; to press for immediate registration of all Orientals in British Columbia under the auspices of the Government."

Another branch of the question was the attendance of about 1,000 Oriental children at the Vancouver schools—usually from one to 7 years older than the white children in the same classes; 500 of these students were said to be Japanese and 491 Chinese, with an increase of 25 per cent. over the 1920 enrollment. Of 33 School Principals, however, only two pronounced the Oriental children a hindrance to efficient work. The annual Report of the Secretary of the B. C. Retail Merchants' Association, at their Duncan meeting, on July 26, declared that: "The Oriental is with us as a factor not only in retail merchandising, but in every other phase of commercial activity; about one-third of the retail grocers of Greater Vancouver are Orientals and the same condition applies to the merchant tailors with, perhaps, 50 per cent. of that business in Vancouver in the hands of Orientals." At the Autumn Session of the Legislature (Nov. 1st) a motion by G. S. Hanes and Major R. J. Burde was carried unanimously asking the Dominion Government to amend the Immigration Act of Canada so as to totally restrict immigration of Asiatics into this Province—"keeping in view the wishes of the people of British Columbia that this Province be preserved for people of the European races."

The Hon. T. D. Pattullo, during the discussion, was frank in admitting that the Oriental at the Coast filled a want and was industrious; he had no objection to him other than that he belonged to the yellow race and could not be assimilated. On Nov. 28th the Board of the Victoria Chamber of Commerce passed Resolutions urging exclusion of Oriental immigration and action by the Civic authorities to raise the standard of living of present Oriental residents, denial of the right of Orientals, in future, to own property, and segregation of Chinese pupils at Public Schools. The Report of the B. C. Social Service Council, submitted on Nov. 28, declared that "the immigration of the Oriental into this country should, for the present, be prohibited because of the economic unrest and the condition of unemployment." Meanwhile, there was much travel to and fro of Chinese, particularly. While many came into the Province (largely students and travellers) by every C. P. R. steamer from the East, the *Empress of Asia*, for instance, sailing from Vancouver, on Apr. 9, carried 650 Chinese back to China.

British Columbia Resources, Development and Business in 1921.

General conditions were not good during the year, though a better spirit prevailed toward its close and there were some signs of a gradual lifting of the depression. In business, collections had been fairly good and failures were not serious; wages had fallen unevenly, from 10 to 50 per cent. with logging and mining as the most marked industries in this respect; shipments of grain *via* British Columbia ports had increased from the Western Provinces; ship-building, except for special local purposes, was almost at an end with a 49,000 tonnage completed from 1920; the salmon canners and fishermen had found the year a difficult one with a serious reduction in Sockeyes; the lumber trade was depressed with export business, however, fairly good. The actual resources of the Province still remained almost untouched with (according to Government estimates) 50,000,000 acres of agricultural land suitable for settlement, 349,568,000,000 feet of saw material in its Timber lands and 83,828,523,000 tons within its vast coal fields; B.C. iron was claimed to be a magnetite equal to the best Swedish ore and hematite of best grades with a proven tonnage of 94,000,000 and an estimate of 300,000,000 tons. Provincial figures of production, over a specific period, were as follows:

	1912	1914	1916	1917	1920
Minerals	$32,440,500	$26,388,825	$42,970,555	$37,182,570	$35,580,625
Timber	30,000,000	28,250,000	35,528,000	42,000,000	92,628,807
Agriculture	23,323,269	30,184,100	32,259,157	35,000,000	64,370,116
Fisheries	13,677,125	13,891,398	14,538,000	16,000,000	12,612,773

Federal statistics at the beginning of the year showed British Columbia as leading the Provinces in the average value of farm lands with $75 per acre; in other Provinces the average values ran from $32 in Alberta to $70 in Ontario and Quebec. Agricultural conditions in 1921 were, as elsewhere in Canada, depressing as to prices and the Federal figures of total production of Field Crops were $7,000,000 less than in 1920. Wheat stood at $1,435,000, Oats $1,571,000, Potatoes $2,646,000, Turnips $1,670,000, Hay and clover $7,478,000, grain-hay $3,141,000, and alfalfa $1,121,000. As to live-stock, the horses of the Province were valued at $4,456,000 in 1921, cattle at $13,064,000, sheep at $412,000 and swine $706,000 or a total reduction of 3½ millions. The following figures (Federal Bureau) indicate conditions in a four-year period, and, especially, the progress of deflation in prices:

British Columbia	1918	1919	1920	1921
Field Crops	$17,548,000	$24,603,000	$27,017,000	$20,447,000
Farm Animals	3,635,000	4,161,000	2,441,000	2,470,000
Wool	184,000	144,000	53,000	24,000
Dairy Products	6,612,000	7,832,000	8,286,000	8,286,000
Fruits and Vegetables	3,000,000	3,000,000	3,000,000	3,000,000
Poultry and Eggs	2,120,000	2,120,000	2,385,000	2,915,000
Fur Farming	20,000	20,000	15,000	99,000
Totals	$33,119,000	$41,880,000	$43,197,000	$37,151,000

The above estimate as to Fruit, though official, is very arbitrary and obviously incomplete. Other official reports show the fruit production of 1919 as $6,540,300 and in 1920 as $5,106,905. If the

1921 figures were to include the estimated fruit product of that year ($9,000,000) the above total values would, also, be much greater. The Government's agricultural policy during the year was an effort to develop Irrigation and drainage in the fertile valleys of the Interior. In the South Okanagan region where the Government had been opening up the Townsite of Oliver, 75 per cent. of the bench lands open for settlement at this time and for which Irrigation had been provided, were disposed of. All of the business lots had been sold and another Irrigation tract of about 2,300 acres was nearing completion. Taking this famous Fruit valley as a whole, the estimated output for the season was $9,000,000 and shipping was in process to Europe, Africa, Asia, Australasia and South America; the privately-owned Irrigation systems represented an expenditure of $5,000,000 and 20,000,000 acres of land were set out in fruit trees. In the Province, generally, the Apple crop of 1921 was very successful and perhaps 100 per cent. in excess of the previous year. Dairying, also, was a successful year with the Fraser River Valley showing an estimated output of $2,630,000. The Honey crop was also good with the Okanagan settlers going in for Apiculture with enthusiasm while Kelowna imported a consignment of Dutch bees.

Other incidents of the year included the purchase by Sir James Buchanan, Bart., the Scotch distiller, of the Coldstream Ranch, near Vernon, which had been the property of the Marquess of Aberdeen and had developed into, perhaps, the finest orchard property in British Columbia; the purchase by Major C. S. Goldman, ex-M.P., of the town of Nicola and its surrounding acres which he proposed to convert into a model English village and summer resort; the success of British Columbia fruit at the Crystal Palace Apple Show in London, where 17 prizes were obtained, in South Africa where a shipment was highly praised, and in Ontario where the Coast apples competed with the home product; the re-election of C. E. Barnes as President of the B.C. Fruit Growers' Association, of R. P. McLennan, Vancouver, as President of the B.C. Jersey Breeders' Association, and J. C. Mitchell as President of the B.C. Thoroughbred Breeders' Association.

B.C. Mines and Mineral Production. Mineral production was affected by the price deflation of 1921 as well as other things; the total in British Columbia was $28,066,641 compared with $35,543,084 in 1920, although the actual product of lead and zinc increased while silver and copper decreased. The output of all British Columbia mines, including the famous Placer gold of the Fifties was, to the end of 1921, $734,259,619. Of the latter year's product, Gold stood at $3,037,354, Silver $1,591,204, Copper $4,879,624, Lead $1,693,354, Zinc $1,952,065, Coal $12,419,975. The great product of the Province was Coal and Coke with a total to date of $225,000,000. Of the 1921 Coal, 1,625,931 tons came from Vancouver Island and 759,755 tons from the Crow's Nest, while 1,269,566 tons were sold in Canada and 815,441 were exported to the United States.

On Feb. 20, Hon. William Sloan, Minister of Mines, announced an official Enquiry into Coal conditions in British Columbia, with appointment of Alex. Henderson, K.C., Vancouver, as Commissioner to carry on the Enquiry and submit a report. It was provided by Order-in-Council that the Commissioner should examine the cost of production, the cost of transportation, the cost to dealers, the cost to consumers, the profits made by persons or corporations owning, controlling or operating coal mines in the Province, the profits made by dealers in coal, and, generally, to enquire into all matters relating to or affecting the price of coal to consumers in the Province. The Enquiry opened in Vancouver on Feb. 28, with F. T. Congdon, K.C., acting under instructions from the Government, as representatives of the public and Maj.-Gen. R. G. E. Leckie, M.E., acting as an Assistant to the Commissioner.

Evidence was at once produced to show that since April, 1918, coal to the consumer had advanced just twice as rapidly in Vancouver as in the Cities of Nanaimo or Fernie, Calgary or Edmonton, and Regina; that in April, 1918, lump coal to the people of Vancouver was $8.80 a ton while in January, 1921, it was $15, or an increase of $6.20 a ton; that the average increase in the other five cities was $3.15. The Commission started in Victoria, on Mch. 10, and was back again in Vancouver during April. There was no investigation of Interior conditions. Mr. Henderson reported late in April and the result was made public on May 8.

The Commissioner stated that beyond keeping up prices the Dealer's Association did not appear to have exercised any other function, while the evidence conclusively showed that dealers had frequently delivered short weight to consumers. As to Operators: "Evidence shows that the management of those conducing coal mining operation on Vancouver Island is excellent. Superintendents and others in charge are most experienced and intelligent men and are familiar with the best and latest modes of mining; the operations are well and efficiently conducted." In referring to prices, the Commissioner stated that the figure of $15 per ton for lump coal was never justifiable, and that the Coal Dealers' Association could have rendered invaluable aid in reducing the price of coal if it had adopted a regular system of transportation from Vancouver Island to Vancouver and an economical system of delivery. Referring to the Operators' policy of selling only to coal dealers, the Commissioner noted that this had made the organization of a "steel-clad coal ring" possible. As to this he was explicit: "The dealers have fixed uniform prices and have fixed them not to meet the requirements of the most efficient among them but to insure a profit to the least efficient." On the question of cost of production much evidence was taken and the cost of coal to the dealers, the prices of different grades f.o.b. the mines, were given as on Jan. 1st, 1917 and Feb. 6, 1921 as follows, respectively: Lumps, $4.75 and $9.46; Nut $3.75 and $8.46; Pea $3.00 and $7.96. Recommendations were submitted by General Leckie as follows:

1. That legislation be enacted to deal with any combine formed for the purpose of maintaining a high price for coal.
2. That dealers be licensed and that they be limited in number, according to the requirements of the district they serve.
3. That an effort be made to secure special freight rates for coal, in order that there may be closer competition in the larger markets and between the different coal fields.
4. That an effort be made to eliminate the system of delivering coal in sacks—compelling consumers to make provision to receive coal in bulk.
5. That the calorific value, analyses, and important characteristics of the different coal-seams mined in the Province be officially established and made public.
6. That standard sizes of coal should be established officially and these sizes should be classified as lump, stove, nut, pea and slack.
7. That where the coal is sold in sacks a set of scales be carried on the same vehicle in which delivery is made to the customer.
8. That an official investigation be made into the question of the economical use of coal.
9. That a short ton of 2,000 pounds, and not the long ton, should be officially recognized as the standard unit of weight as applied to coal.

General Leckie gave the following reasons for the current high price of coal: (1) increased cost of labour; (2) exhaustion of the more cheaply mined sections of the Coal seams; (3) increased difficulties underground in the way of "Faults," "Wants," and other irregularities in the seam; (4) increased salaries and wages for management and in offices; (5) increase in price placed on the coal to permit a profit being made on production; (6) increase in pay to officers and crews concerned in the transportation of the coal; (7) increased cost of fuel at the bunkers, and of supplies, and of labour in handling, screening, sacking and delivering coal; (8) increased salaries and other office expenses in connection with the dealers and firms; (9) increased number of coal dealers engaged in the business; (10) the great demand for lump coal exclusively, when a mixed product would serve equally well; (11) the desire to have coal delivered in sacks, instead of in bulk.

B. C. Lumber and Fisheries in 1921. The Hon. T. D. Pattulo, Minister of Lands, in his Report for the calendar year 1921, stated that 1921 would be remembered as a period of re-adjustment and deflation and, in no case, was this condition more marked and with more promising results, than in the Lumber industry. Early in the year prices of lumber products dropped close to pre-war levels and, in general, throughout the year were 40 to 50 per cent. below those of 1920; the result was that demand strengthened, foreign trade increased and labour responded by accepting reduced wages and increasing efficiency. Provisions also declined in price and, with the close of the year, deflation in equipment was progressing; new foreign fields were entered and new markets developed. The revenue charged on operations was $1,544,251, as against $1,547,461 in 1920. The Minister described export demand as strong throughout the year—especially from Japan and China. The Japanese trade increased from 5,990,266 to 52,447,160 feet, B.M., and the Chinese trade showed an increase of 180 per cent. over the previous year; so with United States coastal trade which, in 1920, was

4,162,848 feet and in 1921 25,553,543 feet. The total export was 188,000,000 feet or an increase of 42,000,000 feet for the year and a new record for British Columbia. The organization of the Associated Timber Exporters and the formation of several other export companies, gave a foreign buyer direct contact with the trade and the Canadian Merchantile Marine aided in solving the shipping problems.

The value of total production showed a reduction from $92,628,807 in 1920 to $64,970,000 in 1921—compared, however, with $54,162,523 in 1918. The pulp industry suffered from falling prices and slow buying, especially on sulphite and sulphate products, and some of the mills closed for a time. Paper-mills ran throughout the year, though not at full capacity. The product of pulp mills was 68,502 tons of sulphite, 6,519 of sulphate and 89,725 of ground wool with 110,176 tons of newsprint and 6,934 tons of other paper. The timber scaled during the year was 1,790,017,365 B.F. compared with 2,046,468,959 in 1920; the number of sawmills was 341 with a daily capacity of 10,729,000 B.M.; there were 109 shingle-mills with a capacity of 13,426,000 shingles daily—37 saw mills and 2 shingle mills were shut down. The Forest revenue of the year was $2,956,292; the Protection expenditure was $645,842—chiefly against Fire; the area of Crown grant timber lands was 845,111 acres valued at $10.33 per acre or $8,729,996.

The year started with lumbering very active and a strong demand from the Orient; the shipment, up to April, by the Canadian Robert Dollar Co., alone, of 12,000,000 feet; big cargoes taken to Australia, South Africa and Great Britain by the Canadian Government freighters; large bookings for Japan and an estimate of $6,000,000 a month in purchases from that country during April-July; the announcement in June that an important group of British financiers, headed by Frederick Benson, Sir Lionel Fletcher, Sir Connop Guthrie, and Col. R. S. Chaplin, were to expend $18,000,000 in the development of an immense timber tract in British Columbia, comprising an area of over 400 square miles, in the Revelstoke district. On Sept. 26 an order for 3,500,000 feet of lumber and ties for Admiralty shipyards was placed in Vancouver with the H. R. MacMillan Export Co. The Canadian Forestry Association, which met at Vancouver on Sept. 19 and in Victoria on the 20th, evoked some interesting facts with conservation of forests, however, as the keynote. P. L. Lyford, a well-known forest engineer of Vancouver, referred to the question of prime importance to the lumbering industry and the Province at large as "application of practical methods of re-forestation," by the Provincial Government and declared that while the Province probably contained 350,000,000,000 feet of timber, there was not more than 150,000,000,000 feet of the kind and quality and availability of the timber being logged to-day and which would be logged during the next decade. Others emphasized this point and the vital need of protection against fire as well as re-forestation.

Mr. Pattullo, Minister of Lands, in the Legislature on Oct. 21, declared this industry to be the main one of the Province and a barometer of general trade upon which many conditions depended; he described his own campaign to secure extended markets and to make B.C. lumber better known—in Ontario, in England, and elsewhere. A large British order had been obtained and the Timber Export Association formed to handle it and they had sold up to Sept. 1, 1921, 218,556,000 feet with total shipments to that date of 208,776,000 feet; he stated that, in the larger forest areas of the Province, the annual growth exceeded the annual cut and annual waste through fires, etc., by a large margin. The following figures for the first 8 months of 1921 indicate the far-flung character of British Columbia's Export lumber trade:

Country	Feet	Country	Feet
Australia	7,370,889	San Pedro	4,995,260
Egypt	8,566,400	China	19,895,787
Japan	24,737,947	India	6,516,085
South Africa	2,571,615	New Zealnd	4,942,992
South Sea Islands	252,922	Straits Settlement	689,070
U. K. and Continent	11,824,958	Atlantic Coast	3,768,263
Hawaiian Islands	1,009,480	Philippine Islands	1,517,087
California	1,287,449	San Francisco	1,644,957

The Fisheries of British Columbia have always been a great source of wealth as well as of reputation. Since 1910 the production had run in value as follows: 1910, $9,163,235; 1911, $13,677,125; 1912, $14,455,488; 1913, $13,891,398; 1914, $11,515,086; 1915, $14,538,320; 1916, $14,637,346; 1917, $21,518,595; 1918, $27,282,-223; 1919, $25,301,607; 1920, $22,329,161; 1921, $13,943,450. The product in 1921 showed a serious reduction in both quantity and price. Salmon fell from 1,262,864 cwt. in 1920, to 843,026 cwt. in 1921, and the total value of the Salmon, as marketted, decreased from $15,129,348 to $8,581,724; the catch of Halibut increased from 238,770 cwt. in 1920 to 325,868 cwt. in 1921, and the marketted value decreased from $4,104,869 to $3,636,076. Herring totalled $936,-407 in value, Cod $232,638, black cod $142,558, Pilchards $101,945. The capital invested in the vessels, boats, nets, traps, piers and wharves, etc., engaged in the primary operations of catching and landing Fish was $7,509,363 in 1921, compared with $9,185,279 in 1920; the employees numbered 10,623 in 1921, compared with 11,569; the capital represented in Fish Canning and Curing establishments in 1921 was $12,449,102, compared with $14,105,080 in 1920, and the employees numbered 4,471 and 7,212 respectively.

As to the famous Salmon Pack of the Fraser it looked as if the "big years" of the past—coming with certainty every 4th year—had gone for ever. Mr. Sloan, who was Minister of Fisheries as well as of Mines, presented to the Legislature on Feb. 27th a Report which he had obtained upon the subject from Prof. C. H. Gilbert of Stanford University. It began by stating that: "Fishermen and salmon-packers, and all concerned with the Salmon situation, are aware that 1921 is a lineal descendant of those 'big years' on the Fraser which, prior to 1917, occurred without fail in every 4th season, and brought such incredible hordes of Salmon to the fishing

grounds and into the River. Even after the depletion of the River had become pronounced for the three 'small years' of each cycle, still the quadrennial big years remained unimpaired. And they would probably have maintained themselves until now but for the accidental blockade of the Yale Canyon in 1913, precisely in time to intercept the spawning run of that big year." The expected had occurred in 1917 and only the by most strenuous exertions, had a Pack of 560,000 cases been obtained or about one-fifth that of the usual big year. As finally announced by the B.C. Salmon Packers' Association, the total production for 1921 was 603,548 cases valued at $6,000,000 and, by districts as follows:

Variety of Salmon	Fraser River	Skeena River	Rivers Inlet	Naas River	Vancouver Island	Outlying Districts
Red Springs	11,360	18,599	364	1,431	2,690	2,281
Pink Springs	467	2,722		437		2,435
White Springs	4,582	445		220	540	279
Blue Backs	1,323				3,151	2,586
Steel Heads	8	498	97	413		204
Cohoes	29,978	45,033	4,718	8,236	11,120	18,203
Pinks	8,178	124,457	5,035	29,488	10,660	14,818
Chums	11,223	1,993	173	2,176	34,431	21,412
Sockeyes	35,900	41,018	46,300	9,364	10,667	20,665
Totals	103,919	234,765	56,957	51,765	73,259	82,883

The Pack was one of the smallest on record and less than half that of 1920 and the canners lost heavily. As the source of these Salmon runs was in American territory, every effort was made by the Dominion and Provincial Governments—in 1919 and 1920, as well as in 1921—to come to some joint protective arrangement with the United States or the State of Washington. But rival fishing interests, International jealousies and American political differences made it impossible. Meanwhile, the Salmon-canning industry had sent Lieut.-Col. F. H. Cunningham, ex-Chief Inspector of Fisheries, to England and France to conduct an educational campaign there and in other countries, for the purpose of increasing consumption of canned salmon of all varieties.

The United Farmers of British Columbia. Maintaining their policy, as expressed in 1920, the United Farmers of British Columbia decided, at their 5th Convention, held in Vancouver, Feb. 22-23, that the organization would not take any direct Political action; it was felt, rather, that the Farmers of the Province should first organize thoroughly on an economic basis. The 1921 Convention was attended by over 200 delegates, as against 65 in 1920. President R. A. Copeland reported an increase in Locals from 40 to 149 and in membership of 3,000. A total of 107 Resolutions were presented and discussed. Amongst those passed, for submission to the Provincial Government, were the following:

1. Urging strict enforcement of the Weed laws on Indian Reserves.
2. Asking for improvement of transportation facilities and requesting Government profits from the sale of Liquor to be given to the mainance and improvement of Roads in rural districts.
3. Suggesting appointment of a Government Commission to investigate the Province's water-powers with a view to establishment of a Hydro-Electric Commission on the lines of the Ontario body.
4. Asking that the United Farmers should have representation on the Railway Commission.
5. Urging the establishment of an Agricultural Credit System of loaning money to Farmers.

A strong Resolution was passed, for presentation to the Federal Government, as to the need of protection against Oriental immigration and declaring that all commodities produced by Orientals, whether in this country or abroad, should be so stamped. R. A. Copeland, of Lumley, and W. E. Chappell, of Armstrong, were re-elected President and Secretary, respectively, while the Vice-Presidents chosen were J. L. Pridham, Kelowna; W. F. Laidman, Vernon; Colin Muir, Chilliwack. There were in British Columbia, at this time, several bodies of about equal strength; they all realized the advantages of a single, united agricultural organization, but appeared to lack the power of effecting the fusion. There were present at this Convention. J. W. Berry, President of the Milk Producers' Association of the Fraser Valley; President C. E. Barnes of the Fruit Growers' Association, and W. H. Turnbull, Secretary of the B. C. Honey Producers' Association, who all spoke favourably of the principle. J. B. Musselman, of Saskatchewan; Norman Lambert, of Winnipeg, and C. Rice-Jones of the United Grain Growers, Ltd., emphasized the value of unity and co-operation.

A report was presented of a 1920 canvass made amongst the members of the U. F. B. C. as to certain questions. On that of affiliating with the other Farmer organizations, through the Council of Agriculture, 95 out of 98 Locals voted favourably; upon the fiscal policy of the Council, as expressed in the Farmers' Platform, only one Local out of 98 was favourable. In November a joint Committee of the United Farmers and the Farmers' Institutes prepared and placed before the Agricultural Committee of the Provincial House, a strong recommendation that the Government should assist the Farmers by (1) showing greater activity in regard to the Sheep industry; (2) higher bounties on the killing of predatory animals; (3) appointment of two farmers on the Game Board and revision of the Game Laws; (4) taxing transients in rural communities for School privileges; (5) the establishment of a rural Banking System.

Position and Production of the Yukon.

This famous placer gold field celebrated, in 1921 the 25th birthday of gold discovery in the Klondike on Aug. 17, 1896, and hundreds of pioneers gathered at Dawson to mark the event. Between 1897 and 1911, when its placer product reached a declining stage, the total of Canada's Yukon gold was $137,361,362. Its production in 1921 had fallen to $1,325,000 with hydraulic operations still maintaining ground and still finding a profit in the work. In 1920 the production had been $1,512,006 and in 1919 $2,355,631. There were known to be great resources in silver and a series of discoveries were reported in March, 1921, at Keno Hill, the centre of the new Mayo mining district, 160 miles east of Dawson, the strike was said to show a remarkable ledge of silver in No. 9 tunnel on the Rico, Claim, owned by the Yukon Gold Company; it was reported as 9 feet wide with 7 feet solid high-grade galena. This Company already had 2,500 tons of ore at the Mayo Mine, Keno Hill, ready for shipment on the first steamer, and several other large companies were stated to have taken options on silver claims in the vicinity. In June silver ore, valued at $50,000, reached Dawson from this camp, with $750,000 more said to be waiting shipment.

The population was small at this period and Dawson very different from its days of gold and glory; but the settlement was stabilized and the people living under a Territorial system of government, established in 1898, and since developed until it is somewhat similar to that of the North-West Territories prior to 1905. There is no Legislature in name, but the Yukon Council, since 1919, has consisted of 31 members elected to hold office for three years with an indemnity of $400 per annum, and this body has legislative powers. The Chief Executive Officer is the Commissioner of the Yukon, appointed by the Dominion Government. During its April Session, in 1921, this body passed some important measures. One involved the taxation of all unmarried men and women in the Territory to the extent of $5.00 a year in addition to an existing poll-tax. Another measure authorized the Mounted Police to issue strychnine to reliable hunters for wolf poison, as the country was becoming infested with wolves who were killing enormous numbers of moose and caribou; legislation also changed the location of the Government Assay Office from White Horse to Minto Bridge, in the centre of the Silver mines and near Keno Hill.

The Council memorialized the Federal Government to permit the export of Silver-lead to United States coast smelters because the Canadian coast smelters were not equipped to handle that form of ore and others were too far distant to permit it being shipped at a profit. A second Resolution memorialized the Federal Government to extend the Yukon trunk road and telegraph system to Fort Norman oil fields in the Mackenzie Valley. It was stated that the existing Road system extended the length of the Yukon and reached within 360 miles of Fort Norman. In July there was a brisk campaign over Prohibition and the right or otherwise of importing liquor; its sale had been forbidden in 1920, but, on July 12, 1921, by a vote of two to one, the people demanded the right to import liquor. The United States, however, had placed an embargo upon the export, or import, of liquor across its Alaskan territory and this rendered the vote practically abortive, because all transportation routes into the Yukon touched United States soil. A system of Government agencies and control was rendered necessary by this situation. It may be added that the land of the Yukon is 132,113,360 acres, and its total area 207,076 square miles; in 1911 the population was 8,512 and in 1921 4,157.

THREE IMPORTANT ORGANIZATIONS IN 1921

Canadian Clubs. The cultivation of a spirit of active patriotism and an increased interest in the National problems of the day, was maintained as a general policy by the Canadian Clubs during the year 1921, but there were two features of this programme which made special progress—a marked tendency toward co-operation between individual Clubs and the active encouragement of Vocational Training in many centres. On Sept. 12-13 the Association of Canadian Clubs met in its 9th annual Convention at Winnipeg and, throughout its sessions, an enthusisatic spirit of idealism and a distinct unity of purpose were visible. The Delegates emphasized a two-fold policy in the organization—to expand into an Empire-wide organization and to function as an interpretive and conciliatory body between the Empire and other countries. Among those who attended the Convention and who sat with President R. W. Craig, K.C., at the opening gathering, were Premier T. C. Norris of Manitoba and Mayor Parnell of Winnipeg; Lieut.-Col. C. R. McCullough and W. Sanford Evans, Hon. Presidents; Very Rev. Prebendary Gough, London, England; Albert Oliver, President N. Y. Canadian Club; R. H. Smith, Hon. Secretary. Many questions of vital importance to Canadian citizenship were discussed and, among the Resolutions passed, the following were of special interest:

1. Recording the opinion of the Conference that laws regarding vital statistics should be amended to include the word "Canadian" as a term of racial origin, and requesting incoming Executives to bring pressure to bear upon the various Provincial Governments concerned.

2. Urging that Canadian Clubs should make an especial effort each year to celebrate Armistice Day in commemoration of the dead.

3. Approving the formation of a League of Nations' Society which would promote international peace and furnish information regarding Canada's international relations and problems.

4. Supporting better Films and more British Picture productions, with strong approval of the Public Amusements Act of Manitoba, 1921, in this connection, and the recommendation of similar enactments in other Provinces.

At the final session George C. Coppley, past President of the Hamilton Club, was elected President of the Association, Mrs. J. S. Dunn, of Hamilton, Vice-President, and A. R. Lancefield Hon. Sec.-Treasurer. Lieut.-Col. C. R. McCullough, Hamilton, and W. Sanford Evans, Winnipeg, the originators of the Canadian Club idea, were re-elected Hon. Presidents. Meanwhile, the individual Clubs continued their educative and patriotic work in the various centres, not only by the introduction of speakers of note—the leaders of their own land and notable visitors from all parts of the world—but by the distribution of special literature, the encouragement of essay-writing in schools and general educational work. Other activities grew up—the Vancouver Canadian Club deciding to stand behind the Boy Scout movement and to associate it with the activities of the Club; the Edmonton Women's Club lending its support to the Y. W. C. A. and Armenian Relief; the Calgary Women's Club assisting in Red Cross work, and the Men's Club arranging a series of Lectures to the High School students of the city on vocational subjects, and to the Normal students on Constitutional matters.

In Provincial captials and other centres, the Club meetings afforded to a section of the public opportunities of learning, from National leaders, the policy of the Government and progress of the country, and among these speakers in 1921 were Messrs. Meighen, Rowell, Guthrie, Cody and Drury. H. E. the new Governor-General, Sir James Aikins, Sir Bertram Windle, Maj.-Gen. F. G. MacBrien, C.B., C.M.G., D.S.O., Sir

Robert Falconer, Archbishop Neil McNeil, and many others of note, addressed various Clubs on matters of current interest and importance. The bonds of Empire were tightened and many Canadians made to realize the status of their country in a more positive way through being able to hear such eminent visitors as Admiral Earl Beatty, General the Earl of Cavan, Maj.-Gen. Sir Jocelyn Percy, Rt. Hon. J. W. Lowther, M.P., Rt. Hon. Sir John Simon, Vice-Admiral Sir William Packenham, H. W. Steed, Editor of the London *Times*, Dr. S. K. Datta of India, General Bramwell Booth, Prebendary Gough of St. Paul's Cathedral, Dr. J. D. Hertz, Chief Rabbi of the British Empire, Sir John Martin Harvey and Sir Harry Lauder.

The Women's Canadian Clubs lent their influence, particularly, to the support of literary effort, education, town-planning and social service. At the end of the year, the Clubs in Canada totalled 79, including 44 men's organizations and 35 women's, and, besides these, there were a number of outside affiliated Canadian Clubs—notable in London, New York, Boston, and Bermuda. R. W. Craig, K.C., in his address at the Winnipeg Convention, stated that the Delegates represented about 50,000 members. New Clubs were established, during the year, at Minnedosa, Grand Prairie, North Winnipeg, Mossomin, North Battleford, Simcoe, Sudbury, Regina, Barrie, Port Hope, London. The following is a list of the larger Clubs in Canada and their Presidents in 1921:

Men's Canadian Clubs

Fort William	Col. R. H. Neeland
Hamilton	John Stephen, M.L.A.
Toronto	J. M. Macdonell
Vancouver	W. G. Murrin
Calgary	Dr. G. D. Stanley
Quebec	J. Lavory
St. John	A. M. Belding
Halifax	A. Handfield Whitman
London	Major Hume Cronyn
Victoria	B. C. Nicholas
Ottawa	C. A. Magrath
Montreal	A. A. Magee
Edmonton	George H. Gowan
Regina	Alex. Ross, K.C.
Winnipeg	Maj. C. K. Newcombe

Women's Canadian Clubs

Victoria	Mrs. Margaret Jenkins
Vancouver	Mrs. A. J. Paterson
Calgary	Mrs. T. B. Moffatt
Edmonton	Mrs. Duncan Smith
Regina	Mrs. W. M. Graham
Winnipeg	Mrs. R. M. Dennistoun
London	Mrs. F. E. Leonard
Hamilton	Mrs. Sidney Dunn
Toronto	Mrs. John Bruce
Montreal	Lady Gordon
Quebec	Mrs. Thomas Chapais
St. John	Mrs. L. P. D. Tilley

Young Men's Christian Associations. This organization maintained its standard of efficiency, its devotion to duty, and its acceptance of responsibility as a world-wide body, even though the more spectacular phases of its work during the War had given way to those of reconstructive education. On Apr. 30, 1921, the membership in the 2,120 Associations in the United States and Canada totalled 935,581 as against 720,468 in 1917. In June, 1921, the National Council of Great Britain published a pamphlet which showed that from August, 1914, to May 31, 1920, the gross expenditure of the British Y. M. C. A. was £21,951,688. In Canada, its National Council and the four Territorial Committees—Maritime, Ontario and Quebec, Central West, and West—which were composed of members of the Council and others elected territorially, had, during 1921, a number of changes in the Executive—the most important being that of Charles W. Bishop, General Secretary of the National Council, who retired and was succeeded by H. Ballantyne, of the Ontario and Quebec Division, while William Jessop succeeded J. H. Wallace as Secretary of the Foreign Department; F. J. Smith was appointed to the Central "Y," Toronto, and his position of National Physical Director was filled by J. H. Crocker, General Secretary for the Central-West Division who, in turn, was succeeded by T. D. Patton; the National Boys' Work, with headquarters at Toronto, was placed under L. A. Buckley of Halifax, and R. C. Sidenius took over the work of General Secretary to the Maratime Division.

To enable Y.M.C.A. students to qualify in Canada for Secretarial positions, a scheme was put into partial operation whereby a series of lectures could be taken at any Canadian University in courses already provided and, in addition to the lectures along technical lines given in the Y.M.C.A. Training Department. The period of training was placed at three years, with credit of two years for graduates in Arts, Science or Theology and, under Dr. F. E. Best, considerable progress was made by the end of 1921. Amongst the various phases of operations in Canada, it may be noted that the Summer Training School at Lake Couchiching was re-equipped and $1,000 appropriated for purchase of additional land with 7 church organizations also making use of the property; that through A. H. Jones, the Immigration Department met over 100 vessels at Quebec, distributed nearly 2,500 cards of introduction and direction to Y.M.C.A's in America, and 376 personal letters of introduction for young men who were strangers to the country; that amongst the railway centres, mines, lumber camps, fishing fleets and in port cities, a similar social work was carried on with men of all creeds and nationality; that in the War hospitals at Montreal, Toronto, Winnipeg, Calgary, Vancouver and other points where 5,000 veterans still remained, continual contact was maintained with these men—each month 4,500 patients receiving personal visits from representatives of the Y.M.C.A., who gave any services or assistance required, while 2,500 movie shows were provided at the expense of the Association and over 500 concerts carried out successfully.

Finally, the Department of Physical Training reported that nearly 250 men and boys had taken examination at Toronto during the year as registered members, with 40 men taking the course at the Physical Institute, Lake Couchiching, in preparation, as instructors, for future employment throughout the Dominion. Other activities showed 28 Junior departments with 5,493 entries, and 19 Senior departments with 807 entries taking part in the Hexathlon or Indoor Championship Contest; Swimming and life-saving courses given to 8,788 men and boys, and 773 swimming classes with a registered attendace of 218,400; C.S.E.T. and National Athletic Championships for Trail Rangers and Tuxis Boys, decided in every Province, with 311 groups and 3,092 entries in 99 different communities participating; yearly half a million attendances registered at gymnasium classes and over 1,000 laymen serving on Physical Department committees. The Association had 64 Physical Directors and 4,399 physical examinations were made in 1921.

An interesting fact was brought out at the annual meeting of the Toronto West End Y. M. C. A., on May 16th, where it was noted that the local organization had enrolled 1,744 boys out of a total membership of 3,446, making its boys' membership second only to that of Shanghai, China, which had the largest number in the world. The Metropolitan Board, of Toronto, at its annual meeting, on May 17, announced, in connection with an appeal for more buildings and accommodation that, in addition to the use of the buildings as real community centres, Y.M.C.A. forms of extension work included activities with 187 churches, in 37 public school buildings, 11 high schools and 92 factories and industrial plants, as well as with 17 groups of new Canadians to whom free instruction was being given. The Association in Toronto had, at that time, a membership of 8,453, the largest for any city of its size in the world.

The Canadian Manufacturers' Association. The Jubilee Convention of this important organization, with its 4,200 members in all parts of Canada, was held at Quebec on June 7-9, with 200 Delegates present and President J. S. McKinnon of Toronto in the chair. On behalf of the Province of Quebec, Mr. Premier Taschereau welcomed the Convention and dealt upon historic considerations affecting his Province and economic conditions represented by the Association. Hon. J. E. Caron, Minister of Agriculture, also spoke, and Mr. McKinnon, in the

annual Presidential address, which had become an important public document, urged co-operation and not detachment as the policy of the time, unity, not groups, as the one essential of government for Canada.

An interesting event marking the 50th anniversary was the presentation to seven living past Presidents, who were present (and reservation for others not present) of sterling silver vases suitably engraved. The list of these gentlemen—all prominent in the public life of Canada—was as follows: Sir Edward Kemp, J. F. Ellis, P. W. Ellis, W. K. George, R. S. Gourlay and S. R. Parsons, Toronto; the Hon. C. C. Ballantyne, Sir Charles Gordon, J. H. Sherrard and T. P. Howard, Montreal; Cyrus A. Birge and Robert Hobson, Hamilton; Col. H. Cockshutt, Brantford; Col. Thomas Cantley, New Glasgow, N.S.; W. J. Bullman, Winnipeg; Senator Nathaniel Curry, Montreal. Another incident was the presentation to the City of Quebec, in honour of the meeting, of an exact replica of the Coronation Chair of Napoleon in connection with the centenary of his death.

The valuable Reports from the various Committees and from the Provincial Divisions followed and constituted a picture of Canadian conditions and requirements as seen by shrewd business men. Resolutions passed may be briefly summarized: (1) Favouring Tariff revision "providing an adequate tariff protection for Canadian enterprise"; (2) appreciation of West Indies' Preferential arrangement and urging negotiations along similar lines with Australia; (3) advocating establishment of a Canadian steamship service *via* the Panama Canal between the Atlantic and Pacific Coasts of Canada; (4) approving the Canadian Government Merchant Marine and urging Government support along lines of increased efficiency; (5) declaring the creation of a National Research Institute a measure of true economy and national value; (6) urging a Conference between Dominion and Provincial Governments as to the definition and allotment of taxation areas and sources of revenue; (7) urging Canadians to support the Made-in-Canada idea and the purchase of Canadian goods. At the annual banquet, on June 7th, Mr. Premier Meighen spoke, and W. S. Fisher, the new President, was in the chair.

The new officers were elected as follows: President, W. S. Fisher, St. John; Vice-Presidents, John R. Shaw, Woodstock, and C. Howard Smith, Montreal; Treasurer, Thomas Roden, Toronto. The following were elected as Chairmen of Committees: Tariffs, Joseph Picard, Quebec; Transportation, A. F. Hatch, Hamilton; Legislation, C. J. MacFarlane, Toronto; Membership, Paul E. Joubert, Montreal; Insurance, Arthur Hewitt, Toronto; Industrial Relations, S. R. Parsons, Toronto; Commercial Intelligence, J. R. McMurray, Toronto; Publishing, J. F. M. Stewart, Toronto; Education, B. W. Coughlin, Montreal. J. E. Walsh was General Manager of the Association, and J. T. Stirrett, General Secretary.

CANADIAN OBITUARY FOR 1921

Name	Particulars	Place	Date
Adams, D.S.O., Lieut.-Col. Alexander	Distinguished Canadian Officer	Eastbourne	July 22
Aikins, M.R.C.S., Moses Henry	Professor Emeritus of Anatomy, University of Toronto	Toronto	Dec. 19
Allen, J.P., William F	Director of Standard Bank	Bowmanville	Apr. 5
Baillie, K.B.E., Sir Frank	Noted Canadian Financier and Business man	Toronto	Jan. 3
Ballantyne, D.D., Rev. James	Former Moderator of Presbyterian General Assembly	Toronto	Dec. 21
Barker, Rev. Enoch	Well Known Congregational Minister	Toronto	Oct. 30
Bassett, Henry Walter	Eminent Railroad and Mining Engineer	Victoria	Dec. 19
Beck, Lillian, Lady	Wife of Sir Adam Beck; Red Cross Official and Philanthropist	Toronto	Oct. 17
Bell, B.A., D.Pæd., Walter Nehemiah	Prominent Ontario Educationist	Paris	Nov. 23
Bernier, ex-M.P., Hon. Michael Esdras	Minister of Inland Revenue 1900-1904; Member of Railway Board	St. Hyacinthe	July 29
Biggar, Emerson Bristol	Well-known Journalist, Publisher and Author	Toronto	May 31
Blackstock, K.C., George Tate	Noted Criminal Lawyer, Politician and Speaker	Toronto	Dec. 27
Bower, James	1st President United Farmers of Alberta	Red Deer	May 16
Bremner, Lieut.-Col. James J	Ex-Director of Bank of Nova Scotia	Toronto	Feb. 21
Brown, Percival Ridout	Former Business Manager Victoria *Colonist*	Victoria	Sept. 23
Burgoyne, William Bartlett	Editor and Proprietor St. Catharines *Standard*	St. Catharines	Jan. 1
Busteed, Francis Ferguson	Well known C.P.R. Official	Vancouver	Oct. 2
Butcher, Lieut.-Col. William Patrick	Well-known Canadian Soldier	Niagara-on-the-Lake	Dec. 24
Caine, James Gilbert	Prominent Lumberman	Toronto	Feb. 7
Calder, M.L.A., John Alexander	Member of Ontario Legislature	Woodstock	July 24
Cameron, K.C.M.G., Sir Douglas Colin	Ex-Lieut.-Governor of Manitoba	Toronto	Nov. 27
Cameron, K.C., LL.D., The Hon. Lawrence John	Judge of the Superior Court of Quebec	Quebec	Jan. 30
Campbell, M.A., D.D., Rev. Robert	Eminent Presbyterian Divine	Montreal	Mar. 13
Casey, Right Rev. Dominic J	Prothonotary Apostolic	Lindsay	May 14
Cassels, Walter Gibson	Prominent Financier	Toronto	Dec. 7
Casswell, M.D., James	Well-known Physician	Digby, N.B.	Feb. 22
Cayley, M.A., Rev. Canon Edward Cartwright	Prominent Clergyman	Toronto	Apr. 11
Chadwick, Austin Cooper	Late Senior Judge of Wellington County	Guelph	June 26
Chadwick, K.C., Edward Marion	Well-known Canadian Lawyer and Genealogist	Toronto	Dec. 15
Chown, George Young, B.A.	Registrar Queen's University	Kingston	Mar. 2
Clancy, ex-M.P., James	Provincial Auditor for Ontario	Toronto	Jan. 10
Clarke, His Honour Lionel Herbert	Lieut.-Governor of Ontario	Toronto	Aug. 29
Clark, Lieut.-Col. Walter	Militia Officer and Crimean Veteran	Guelph	Aug. 22
Clute, LL.B., K.C., The Hon. Roger Conger	Judge of the Supreme Court of Ontario	Toronto	Aug. 30
Cooley, B.A., Rev. John Wesley	Ex-President The Hamilton Methodist Conference	Wiarton	Mar. 5
Cowell, K.C., Zebulon Edwin	Well-known Lawyer	Bedford, Que.	June 21
Crawford, William	Grand Director of Ceremonies in Orange Order	Toronto	Dec. 23
Crosby, The Hon. Adam Brown	Senator of Canada	Ottawa	Mar. 10
Crothers, K.C., B.A., The Hon. Thomas Wilson	Ex-Dominion Minister of Labour, Senator of Canada	Ottawa	Dec. 10
Crozier, LL.D., John Beattie	Noted Economist & Philosopher	London, Eng.	Jan. 8
Corrigan, B.A., D.D. Rev. Richard	Well-known Methodist Clergyman	Toronto	Jan. 27
Clouston, Annie (Easton) Lady	Widow of Sir Edward Clouston Bart.	Senneville	June 28
Dale, M.A., William	Former Senator of Toronto University	St. Marys	Feb. 16
Dandurand, O.M.I., Rev. Father Darbase	Pioneer Roman Catholic Missionary, Ex-Vicar-General of Ottawa Diocese	St. Boniface	Apr. 13
Davies, William	Philanthropist and Business man	Toronto	Mar. 21
De La Durantaye, Mgr., Francois Xavier	Vicar-General, Archdiocese of Montreal	Montreal	Dec. 4
Denison, Mrs. Flora Macdonald	Former President of Canadian Suffrage Association	Toronto	May 23
Devlin, M.P., Emmanuel B.	Prominent Liberal Politician	Montreal	Aug. 30

Name	Particulars	Place	Date
Domville, F.R.G.S., Lieut.-Col. Hon. James	Senator of Canada	Rothesay	July 30
Dyer, M.A., B.Sc., D.D., Rev. William Pirrette	Former Principal of Albert College	Toronto	Mar. 22
Edwards, B.A., B.Pæd., Clarence Bartlett	Chief Inspector of Public Schools	London	Nov. 2
Edwards, Hon. William Cameron	Senator of Canada	Ottawa	Sept. 17
Elwood, Hon. Edward Lindsey	Judge of the Saskatchewan Court of Appeal	Regina	May 19
Emerson, Robert Bickerdike	Ex-President St. John Board of Trade	St. John	Nov. 12
Englehart, Jacob Lewis	Former Chairman of the T. & N. O. Railway Commission	Toronto	Apr. 6
Ewart, I.S.O., David	Dominion Consulting Architect	Ottawa	June 6
Elliott, George R	Prominent British Columbia Lumberman	Victoria	Mar. 3
Falconer, K.C., Alexander	Authority on Banking and Commercial Law	Montreal	June 3
Farwell, K.C., ex-M.L.A., Charles Franklin	Registrar of Deeds for Algoma	Sault Ste. Marie	Mar. 30
Fernie, William	Pioneer Miner and Capitalist	Victoria	May 15
Findley, Thomas	President, Massey Harris Co.	Toronto	Dec. 19
Fisher, B.A., ex-M.P., The Hon. Sydney Arthur	Minister of Agriculture for Canada 1896–1911	Ottawa	Apr. 9
Fowler, B.A., J. Harry	Journalist	London	Oct. 12
Franchere, A.R.C.A., Joseph Charles	Well-known Canadian Artist	Montreal	May 12
Frankland, Henry R	Collector of Inland Revenue	Toronto	May 7
Gage, Knt., LL.D., Sir William James	Canadian Philanthropist and Publisher	Toronto	Jan. 14
Gagnier, S. J. Rev. Father Alexander	Well-known Jesuit Father	Guelph	Feb. 10
Gallant, The Hon. Benjamin	Minister without Portfolio, P.E. Island	Charlottetown	Oct. 26
Gillespie, George	Prominent British Columbia Banker	Victoria	June 30
Graham, M.D., Charles Everett	Former Mayor of Hull	Hull	Jan. 13
Graham, Thomas McLeay	Vice-President Montreal *Star* Publishing Co	Montreal	Sept. 12
Grand, James	Pioneer Commercial Man	Toronto	Nov. 7
Griffin, C.M.G., LL.D., Martin Joseph	Parliamentary Librarian	Ottawa	Mar. 19
Hall, D.D., Rev. Alfred	Senior Chaplain of British and Foreign Sailors Society	Toronto	Apr. 30
Harrison, M.B., F.R.C.S., Howard	Brilliant Canadian Surgeon	Toronto	Aug. 29
Hay, Edward	Former General Manager, Imperial Bank of Canada	Toronto	July 9
Hays, K.C., Louis Martin	Senior Judge Wellington County Court	Guelph	Apr. 29
Helbronner, Jules	Former Editor-in-Chief of *La Presse*, Joint Editor of the *Canadian Gazette*	Ottawa	Nov. 25
Heriot, John Charles Allison	Noted Architect	Montreal	July 24
Hespeler, Hon. William	Speaker of an early Manitoba Legislature	Vancouver	Apr. 18
Hibbard, K.C., Lieut.-Col. Frederick William	Chairman Public Service Commission of Quebec	Montreal	Jan. 6
Hill, Ven. Archdeacon Arundle Charles	Distinguished Cleric and Scholar	Toronto	Aug. 22
Hill, M.D., M.R.C.S., L.R.C.P., Walter	Prominent Montreal Surgeon	Montreal	July 23
Hoskin, K.C., LL.D., D.C.L., John	Eminent Canadian Lawyer	Toronto	Oct. 6
Hosmer, Lieut.-Col. Edward Arthur Christopher	Prominent Manitoba Military Man	Winnipeg	Feb. 12
Hughes, K.C.B., Lieut.-General, The Hon. Sir Sam	Canadian Soldier and Parliamentarian, Minister of Militia in 1911–16	Lindsay	Aug. 24
Howard, F.R.S.C., Robert Jared Bliss	Well-known Surgeou, Husband of Lady Strathcona	London, Eng	Jan. 9
Irving, Thomas Craik	Manager of Bradstreets	Toronto	Dec. 5
Jamieson, B.A., Thomas	Senior Inspector of Schools, Carleton County	Ottawa	Feb. 9
Jarvis, Lieut.-Col. William Munson	Former President Board of Trade	St. John	Sept. 17
Johnson, M.B., M.R.C.S., Arthur Jukes	Authority on Medical Jurisprudence	Toronto	June 9
Jones, ex-M.P., Herbert L	President Weymouth Board of Trade	Weymouth	Dec. 9
Kennedy, Kt., LL.D., D.C.L., Sir John	Eminent Consulting Engineer and Designer	Montreal	Oct. 25
King, M.D., John Sumpter	Physician and Writer	Toronto	Feb. 14
King, Lieut.-Col. William C	Member Council of Domn. Rifle Assn	Bowmanville	May 9
Kirkpatrick, M.D., Everind A	Prominent Physician	Halifax	Sept. 23

Name	Particulars	Place	Date
La Palme, Beatrice	Canadian Prima Donna	Montreal	Jan. 10
Laurier, Zoe (Lafontaine) Lady	Window of Sir Wilfred Laurier	Ottawa	Nov. 1
Lawson, LL.D., John Davidson	Dean-Emeritus of Law Dept. Missouri State University	Chicago, Ill	Oct. 28
Leishman, D.D., Rev. John	Pioneer Presbyterian Missionary	Regina	June 2
Liddell, James William	Junior Judge of Stormont, Dundas and Glengarry	Cornwall	Aug. 4
Lindsay, Rev. Canon Lionel St. George	Dean of the Metropolitan Chapter of Quebec	Quebec	Feb. 10
Lowery, Col. Robert T	Pioneer and Journalist of British Columbia	Grand Forks	May 20
McBride, D.D., Rev. Denis Joseph	Well-known Catholic Scholar	Toronto	Mar. 13
McClary, John	President and Founder, McClary Manufacturing Co.	London	Dec. 11
McCraney, ex-M.P., George Ewan	Well-known Politician	Saskatoon	Mar. 18
McDonald, M.A., D.C.L., Herbert Stone	Senior County Judge for Leeds and Grenville; Chancellor, Diocese of Ontario	Brockville	Jan 7
McEwing, ex-M.L.A., James	Former Provincial Member for North Wellington	Orangeville	Aug. 15
McGibbon, M.P., Peter R.	Well-known Politician	Lachute	Dec. 18
McGoun, M.A., B.C.L., K.C., Archibald	Prominent Legal Authority, well-known Writer and pioneer Advocate of Imperial Unity	Montreal	June 5
McKay, K.C., Robert	Eminent Lawyer	Toronto	Nov. 6
McKimm, George Frederick	Proprietor and Editor Smitb's Falls *Record News*	Smitb Falls	July 14
McLaughlin, James	Prominent Manufacturer and Mason	Owen Sound	Feb. 12
McLaugblin, Robert	Founder of McLaughlin Carriage Co.	Osbawa	Nov. 23
McLeod, M.B., Col. Harry Milton	Prominent in Provincial Politics and Military Circles	Fredericton	Jan. 8
McSweeney, Tbe Hon. Peter	Senator of Canada	Moncton	Feb. 2
MacDonald, M.D., John Phelan	President Central Alberta Medical Association	Edmonton	Nov. 20
MacMath, Hugb	Pioneer Municipal Official of York County	Toronto	Feb. 20
Main, Jobn James	President Policy Holders Mutual Life Insurance Co.	Toronto	Jan. 14
Meredith, K.C., Edmund	Famous Criminal Lawyer	London	Nov. 21
Millman, M.D., Thomas	Supreme Physician I.O.F.	Toronto	Nov. 15
Moffat, William	General Manager, Imperial Bank of Canada	Pembroke	June 17
Money, M.L.A., Stephen	Member of Saskatchewan Legislature	Shackleton	Oct. 5
Mount-Stephen, BART., G.C.V.O., Sir George Stephen, Lord	Millionaire Philanthropist and a Builder of the Canadian Pacific Railway	Brocket Hall, Harfield, Eng.	Nov. 29
Mundy, Edward	Pioneer Newspaper Publisher	Oshawa	Jan. 23
Myers, Robert Hill	Senior Judge County Court Eastern Judicial District	Winnipeg	Nov. 16
Moorehouse, B.A., M.B., L.R.C.P., L.R.C.S., Walter Hoare	Former Vice-Chancellor London University	London	Oct. 25
Nelles, Lieut.-Col. Alfred Westland	Railroader and Militia Man	Toronto	Dec. 27
Nicholls, The Hon. Frederic	Senator of Canada, and Prominent Financier; President of Canadian General Electric Co.	Battle Creek	Oct. 25
Nixon, M.D., C.M., Alfred Westland	Ex-Member of Ontario Legislature	Georgetown	Apr. 28
Ogden, Albert	Well-known Toronto Lawyer	Toronto	Sept. 16
O'Neill, John	Apostolic Syndic of the Franciscan Order	Montreal	June 2
O'Reilly, M.D., Gerald	Prominent Physician	Hamilton	Jan. 2
Orr-Lewis, BART., Sir Frederick Orr	Prominent Financier and Manufacturer; Director Merchants' Bank of Canada	Cannes, France	Nov. 18
Palmer, John G	President Canadian Kodak Co.	Toronto	Aug. 4
Paterson, Thomas William	Former Lieut.-Governor of British Columbia	Victoria	Aug. 29
Pedley, Francis	Former Deputy Superintendent of Indian Affairs	Ottawa	Dec. 14
Pelletier, Josepb H.	High Sberiff of Madawaska Co.	Edmundston	Nov. 21
Pelletier, LL.D., The Hon. Louis Philippe	Judge of Quebec Court of Appeals	Quebec	Feb. 8
Peterson, K.C.M.G., LL.D., D. Litt., Sir William	Noted Educationalist and ex-Principal of McGill University	London, Eng.	Jan. 5
Phillipps-Wolley, Jane, Lady	Widow of Capt. Sir Clive Phillipps-Wolley	Corfield, B.C.	Apr. 29
Power, LL.D., The Hon. Lawrence Geoffrey	Senator of Canada	Halifax	Sept. 12
Racine, M.L.A., Damase	Member of Ontario Legislature	Ottawa	Dec. 2

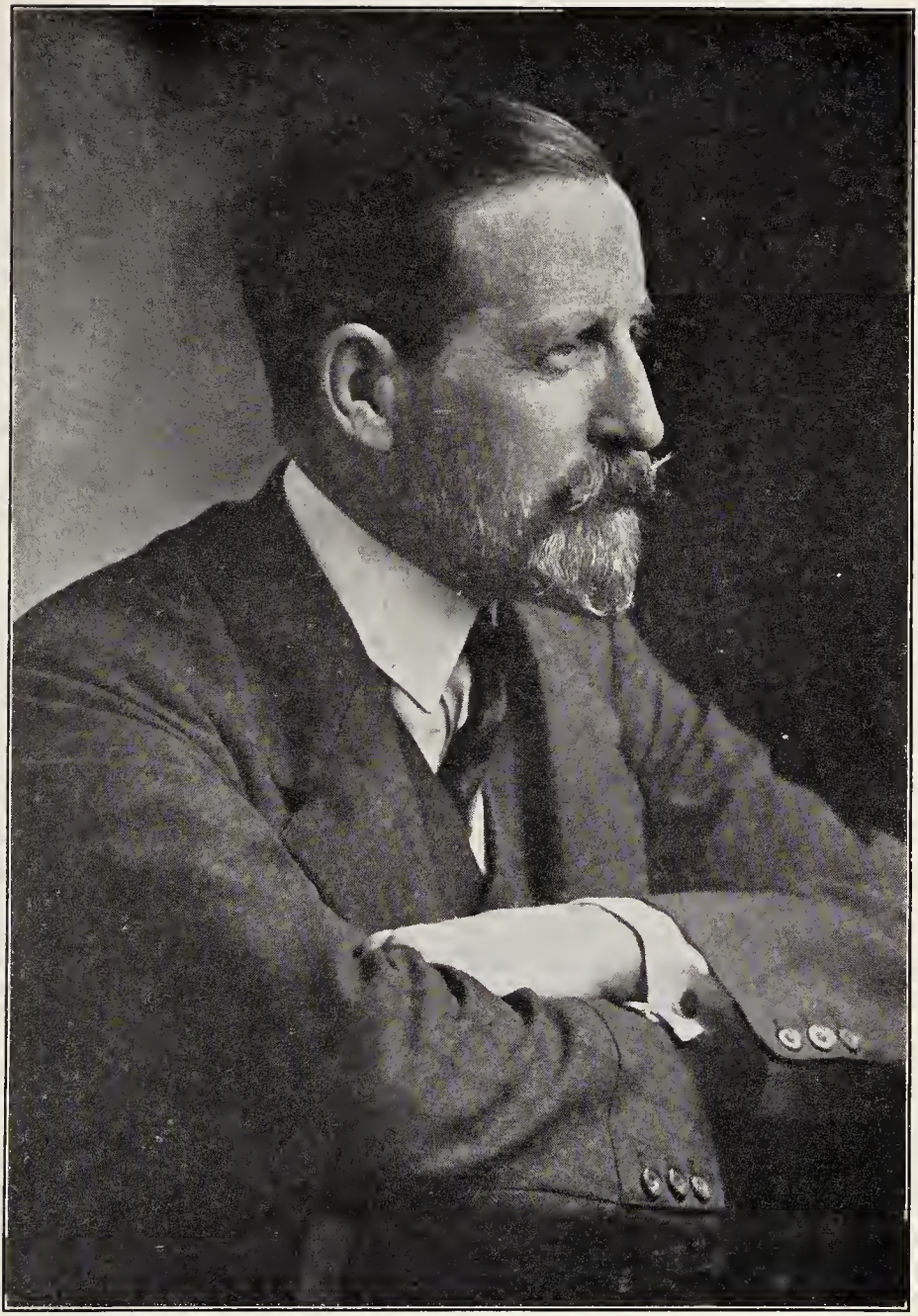
Name	Particulars	Name	Date
Rankin, Colin	Ex-Chief Factor of Hudson's Bay Company	Montreal	Apr. 20
Rees, Llewllyn	Superintendent of Music in Toronto Public Schools	Toronto	Feb. 5
Reid, Mrs. Mary Augusta	Noted Canadian Painter	Toronto	Oct. 4
Reynar, M.A., LL.D., Rev. Alfred Henry	Professor-Emeritus of Victoria University	Cobourg	Sept. 22
Richardson, Ex-M.P., Robert Lorne	Owner and founder of Winnipeg *Tribune*	Winnipeg	Nov. 6
Ritchie, Thomas	Prominent citizen and Philanthropist	Belleville	Dec. 7
Ross, ex-M.P., Alexander Charles	Well-known Mining Man	Montreal	July 30
Rourke, James Ernest	Controller of Currency, Dept. of Finance	Ottawa	Dec. 10
Ross, M.A., D.D., Rev. James Stewart	Eminent Methodist Divine	Fergus	Sept. 5
Robertson, James F.	Founder of Rothesay College	St. John	Jan. 15
Savoie, The Hon. Franois Theat	Member Legislative Council of Quebec	Quebec	Sept. 9
Scott, Rev. Edmund Edwin	Eminent Metbodist Clergyman	Toronto	Sept. 26
Sedgwick, D.D., Rev. Thomas	Former Moderator of Presbyterian General Assembly	Tatamagouche	Dec. 20
Sharp, Alexander	Noted B.C. Mining Engineer	Vancouver	Apr. 9
Sifton, K.C., M.A., LL.B., D.C.L., The Right Hon. Arthur Lewis	Formerly Chief Justice of Alberta; Secretary of State for Canada	Ottawa	Jan. 22
Sing, D.L.S., O.L.S., Josiah Gershom	Prominent Engineer	Meaford	July 19
Smith, Alexander Bruce	Manager of Telegraphs, G.T.R. System	Montreal	Feb. 6
Sparling, B.A., D.D., Rev. William	Eminent Methodist Divine	London	Nov. 21
Spetz, C.R., Rev. Father Theobald	Well-known Catholic Priest	Guelph	Dec. 1
Stewart, James	Well-known Railway Contractor	Andover, N.B.	Sept. 22
Stock, ex-M.P., Valentine	Prominent Citizen of Oxford Co.	Tavistock	Oct. 2
Strong, William	Noted Painter and Etcher	Bournemouth, Eng	Apr. 9
Sumner, George	Former President Montreal Board of Trade	Montreal	Sept. 25
Sweeney, K.C., Hon. Francis J.	Ex-Surveyor-General for New Brunswick	Montreal	May 2
Symonds, M.A., LL.D., D.D., Rev. Herbert	Eminent Anglican Divine	Montreal	May 24
Stovel, Augustus B.	President Western Canada Baptist Union	Hot Springs, Va.	Mar 26
Sutherland, M.L.A., William G.	Prominent Citizen	Charlottetown	May 3
Tilley, M.A., Ph.D., William Edward	Well-known Educationist	Toronto	Dec. 10
Tilley, Alice, Lady	Prominent Red Cross Organizer and war worker; widow of Sir Leonard Tilley	St. John	May 25
Tufts, D.C.L., John Freeman	Ex-Professor of Economics and History, Acadia University	Wolfville	Feb. 7
Tomlinson, Maj. Alfred T.	Noted Canadian Engineer	Toronto	Jan. 20
Wallace, Ex-M.P., Captain Thomas	Prominent in Political and Orange Circles	Woodbridge	Feb. 20
White, Henry	Police Magistrate	Port Hope	Sept. 30
White, M.D., C.M., Frederick J.	Former Mayor of Moncton	Moncton	Apr. 10
Wilson, B.A., The Hon. William	Former Judge of County Court of York, Sunbury and Queens	Fredericton	Sept. 30
Wilson, M.D., L.R.C.P., Robert James	Well-known Physician	Toronto	Mar. 19
Wilson, Rev. Canon William Charles	Venerable Anglican Clergyman	Springhill, N.S.	Sept. 26
Worsnop, J.P., Lieut.-Col. Charles A.	Noted Soldier and Sportsman	Vancouver	Dec. 30
Witton, ex-M.P., Henry Buckingham	Noted Scholar and Manufacturer	Hamilton	Nov. 8
Yeomans, M.D., Horace A.	City Health Officer	Belleville	Oct. 31

Cranksbaw, K.C., James	Well-known lawyer and author of Legal works	Montreal	Dec. 16
Dey, M.A., D.C., Rev. William John	Well-known Presbyterian Minister	Simcoe	Dec. 14
Elder, C.M.G., B.A., M.D., John M.	Eminent Surgeon	Montreal	
Fysbe, M.D., James Carlyle	Supt. of Hospitals Edmonton	Waterbole	Dec. 6
Gray, Alexander Miller	Director, Dept. of Electrical Engineering, Cornell University	Itbaca, N.Y.	Oct. 13
Hill, B.A., Sc., Arthur Edmund Breton	Noted Canadian Engineer	Vancouver	Dec. 28
Robertson, Dr. George	Head of Dept. of Geology and Zoology, Redlands University	Redlands, Calif.	Nov. 14
Spencer, Ph.D., F.G.S., LL.D., Josepb William Winthrop	Noted Canadian Geologist	Toronto	Oct. 9
Myrand, Ernest	Librarian, Quebec Parliamentary Library	Quebec	May 31
Jennings, Milton Robert	Editor and Managing Director Edmonton *Journal*	Victoria, B. C.	Feb. 17

SUPPLEMENT

Canadian Financial and Business Conditions

Annual Reports and Addresses



Sir Frederick Williams-Taylor, d.c.l.
General Manager of the Bank of Montreal; Elected in 1921 President of the Canadian Bankers' Association.

THE
BANKS OF CANADA
A GREAT NATIONAL SYSTEM

The Canadian Banking system is of composite origin. In the first enactments incorporating Banks in Canada there will be found features derived from the legislation under which banking in the United States after the Revolution was first carried on. For example there was the denial of the right to a bank to lend money upon the security of real estate. A tremendous wave of speculation in lands followed the close of the Revolution in the United States in 1783 and it was found that banking capital and assets would be hopelessly tied up if lands could be taken as security. The provision in the early American charters in this behalf and later in the Canadian acts was duly brought into the Bank Act where it still is, and a wise provision it is in view of the needs of this new country for liquid capital.

But the development which began more than one hundred years ago was largely along the lines of Scottish practice, a notable characteristic of which was the branch Bank. This feature differentiated the system completely from that obtaining in the United States. One tradition of Scottish banking has been steadily followed, namely the lending of money, not upon securities only as is usually the case in most countries, but upon character. If there is confidence in the business ability, coupled with belief in the undoubted integrity of the applicant, Canadian Banks, in common with their Scottish prototypes, have always been willing to make reasonable advances provided the borrower possesses a surplus of liquid assets over liabilities. How great the advantage to a new country, in which there are few forms of inherited wealth, is this policy of Canadian banking administration it is impossible to estimate.

Every country has its good times and its bad times, its periods of prosperity and its periods of depression. In this respect Canada has been no exception. Looking back over the economic history of the country, however, one is struck by the fact that it has been the consistent experience of Canada to pass through periods of depres-

sion with a truly remarkable freedom from panics and financial crises. In the United States these periods have often been accompanied by panics and Bank failures. In Canada, on the other hand, the Banks have consistently proved to be a steadying and stabilizing influence, due to the comprehensive character of the system and fluidity of their funds.

Banking is more distinctly a profession in Canada than it is in the United States. A successful newspaper man in recent years became the executive head of one of the greatest banking institutions in that country. But he did not long remain in that post. Such a selection would be impossible in Canada. The youth, as soon as he has completed his preliminary education in Canada, enters upon practical duties in a banking office. Through fitness and by virtue of proven integrity he reaches the higher executive posts. In that way the men responsible for providing the "sinews of war" for financing the country's agriculture and commerce, and incidentally responsible for the safety of hundreds of thousands of trusting depositors, enjoy the maximum of training and experience.

If there is one feature of the system that is more beneficial than another in a country such as Canada, in a large part of which pioneer conditions prevail, it is the branch Bank. To gather up money in the form of deposits in the older and prosperous sections of the country, and employ it in the newly settled areas where it is most needed, is the function of Canadian Banks with branches in both the older and newer sections. Because of this mobility of capital the rates charged in the portions of the country where wheat and other cereals are now, for the first time, grown are lower than the rates now or formerly charged under corresponding conditions in the United States. A unit Bank with no branches, raising its capital and receiving its deposits locally in the newly settled parts of the Prairie Provinces would, because of the dearth of surplus funds for deposit and the higher interest rates that would be necessary to attract deposits, not long survive unless excessively high interest rates were obtained for loans.

On May 31st, 1922, the seventeen Banks doing business in Canada had 4,576 branches. There is scarcely a hamlet in the whole country that has not a branch Bank. Indeed, in the opinion of many, Canadian bankers in the desire to be first on the ground for the business that is to be got, have gone too far in this direction.

There is a branch Bank for every 1,910 inhabitants, and while exact comparisons with other countries are difficult it is doubtful if there is any country in which banking facilities have been brought nearer to all classes of persons than in Canada.

Canadian Banks have done much to facilitate the Foreign trade of the country by establishing branches (two hundred, May 31st, 1922) in many other countries, including branches in London, Paris and Barcelona in Spain; in New York, Boston, Chicago, San Francisco, and other Pacific Coast cities in the United States; Havana and every other important centre in Cuba; Jamaica, Trinidad and Barbados, and in nearly every other Island in the West Indies of any commercial imporantance; in Mexico City and British Honduras; in Venezuela, British Guiana, Brazil, Uruguay and Argentine. In addition Canadian Banks carry on all the banking business in Newfoundland. The criticism is sometimes made that Canadian Banks, by their foreign branches, take money out of the country and lend it abroad to the detriment of Canada. While it sometimes happens that more money is loaned abroad than is received in deposits abroad the reverse is frequently true. For example on the 31st day of May, 1922, the amount of loans of Canadian Banks made through foreign branches was $331,443,061 while the deposits received in the same branches amounted to $367,434,235. In addition it is of great advantage to domestic banking for Canadian Banks to be able to employ funds at call in New York and London where a substantial part of the loans referred to are made. There is no real call money market in Canada. Money on call in Canada could not be obtained if "called." It is true that very low interest rates are on the average received on call money in these Foreign centres, yet the ability to get the money on demand to be transferred in times of financial stress to Canada, and thus stabilize conditions, makes it the part of wisdom to have, as a sheet anchor of the system, call money abroad.

Canadian bank-notes furnish a safe and flexible currency medium. All the assets of all the Banks are ultimately behind the bank-note issue of each Bank. The volume of bank-notes to-day has grown beyond the issue permitted against paid-up capital until more than one-third of the issue is secured by gold and Dominion notes in the Central Gold Reserve. Great progress in the redemptive quality and convenience in form of the currency of the country has been made since the days when beaver skins and moose skins were legal tender and by law could not be refused, at their market price, in payment of debts.

FINANCIAL POSITION OF CANADA

ANNUAL ADDRESSES AND REPORTS OF THE BANK OF MONTREAL*

The 104th Annual Report of the Bank.

The 104th Annual General Meeting of the Shareholders of the Bank of Montreal was held on Dec. 5, 1921 at the Bank's Headquarters in Montreal, and the following Director's Report for the year ending Oct. 31, 1921, was read by the General Manager, Sir F. Williams-Taylor:

Balance of Profit and Loss Account, 30th October, 1920		$1,251,850.03
Profits for the year ended 31st October, 1921, after deducting charges of management, and making full provision for all bad and doubtful debts		3,949,796.58
		$5,201,646.61
Quarterly Dividend 3% paid 1st March, 1921	$ 660,000.00	
Quarterly Dividend 3% paid 1st June, 1921	660,000.00	
Quarterly Dividend 3% paid 1st September, 1921	660,000.00	
Quarterly Dividend 3% payable 1st December, 1921	660,000.00	
Bonus 2% payable 1st December, 1921	440,000.00	
	$3,080,000.00	
War Tax on Bank Note Circulation to 31st October, 1921	220,000.00	
Reservation for Bank Premises	400,000.00	
		3,700,000.00
Balance of Profit and Loss carried forward		$1,501,646.61

Address by Sir Vincent Meredith, Bart., President of the Bank of Montreal.

Our banking year just closed has witnessed a further readjustment of prices and slackening trade. It has been a year of unremitting anxiety, entailing constant vigilance in order to avoid serious losses. I need not remind you that the proverbial policy of your Bank has been, as it still is, to maintain a strong position by means of abundant liquid resources, so that in times of stress we may be in a position to meet the legitimate demands of our customers, as well as such exceptional calls in the general interest as may be made upon us. While our profits have naturally fallen off in comparison with the previous year, they have been sufficiently large to warrant your Directors in paying a bonus of 2 per cent. in addition to the quarterly dividend of 3 percent. A substantial sum has, as well, been carried forward to credit of Profit and Loss.

*NOTE.—For History of the Bank of Montreal see Supplement to *The Canadian Annual Review* for 1910; for succeeding Reports and Addresses, see volumes of The *Review* from 1911 to 1920.

The foreign trade of Canada has suffered serious diminution this year in terms of value, and there is no doubt that in quantity also there has been a shrinkage. In this respect we do not differ from other nations and, indeed, make favourable comparison with many of them. The Fordney tariff in the United States has hit our farmers hard, the export of animals, agricultural and dairy products to that country in October last amounting to only $7,329,000, whereas in the corresponding month a year ago, these shipments had a value of $28,619,000. In the five months elapsed since Congress raised tariff rates, the export of farm products from Canada to the United States has decreased from $62,166,000 to $17,399,000. A year ago we were doing an exceptionally large foreign trade, both inward and outward, quite the greatest in the history of Canada. In the seven months to October 31, 1920, for example, the foreign trade of Canada had a value of $1,497,000,000, made up of $818,782,000 of imports and $678,128,000 of exports; while in the corresponding period this year, aggregate foreign trade the corresponding period of imports and $678,128,000 of exports; while in the corresponding period this year, aggregate foreign trade amounted to only $853,-868,000. In other words, this branch of commerce fell off 43 per cent. The bright spot in the figures is the closer balance of trade, the excess of imports over exports this year having been $22,630,000, whereas last year the excess was $140,654,000. We still remain, however, a debtor to the United States, not only in respect of trade, but for interest payments on loans from that country, and until this condition is righted, I apprehend the premium on New York funds will continue to our detriment.

The year's harvest, taken in the aggregate, was fairly abundant, but in parts of the western provinces, and particularly in central and eastern Canada, prolonged summer drought stunted growth and impaired the yield. The outturn of wheat is probably 50,-000,000 bushels larger than last year and coarse grains generally have yielded well. The stimulating effect of a good harvest would have been experienced but for the serious decline in prices, which has cut into farmers' profits, and, in a number of instances, has actually involved loss on the season's operations. Another year, however, may retrieve this situation by reduction in price of articles consumed by agriculturists, including that of labour.

Taxation has everywhere become a serious burden. In our own country it is heavy even to the point of impeding industry and trade, and I know of no other means of redress than economy in public and private expenditure.

There is no greater economic truth than that if you take from the people their accumulated savings by over-taxation, you stifle all initiative and enterprise and your revenues will fail, for those having surplus funds will probably find means of investing out of reach of the tax-gatherer where they will not contribute to the wealth and prosperity of the country. Taxation can be lessened in two ways only—by reducing public expenditure and by increasing population; and the hope is that both means will be employed.

The past year in Great Britain has been marked by gradually falling money rates. Inactive trade and renewed inflation through Government borrowings are the chief cause of this monetary ease. Trade has sunk to a very low ebb there, as elsewhere, the improvement noticed in the spring having been chekced by the coal strike. Wholesale prices have had a substantial fall, which has not been followed to the same extent by retail prices. Some progress is being made in the effort to cheapen production, the high cost of coal being one of the chief obstacles to improvement. In considering world trade, too little stress is placed on the elimination of Russia, whose enormous productive power enabled her to absorb great quantities of foreign goods. Germany's financial position is regarded as dangerous at the moment, and a further depreciation of the mark might easily bring about a breakdown. The fall in the value of the mark is reacting on German world competition, and it looks very much as though this competition will greatly lessen in the near future.

In the United States deflation has proceeded more rapidly than it has with us, and I am inclined to think that country is at the turning towards improving conditions. These, however, I fear, will be spasmodic and slow. It is noteworthy that a tendency to a broader view of international affairs, both monetary and political, is in evidence.

The vast and growing accumulation of gold, now amounting to three and a half billions, or between 43 and 44 per cent. of the total monetary gold holdings of the world, is causing some uneasiness with regard to its disposal. In the past year half a billion more gold has been poured into the United States' reservoir. The granting of loans or credits to foreign countries in order to restore economic conditions abroad would, I believe, be the logical and wise solution of the problem. So far, proposals of this nature have not met with general acceptance. The cancellation of war debts, if such a suggestion be made, would not, I think, be received with favour, nor do I believe there is any disposition on the part of the American people to dispossess themselves of their vast holdings of gold for the purpose of loaning to distressed foreign countries, or to grant long-term credits unless adequate security were provided to secure repayment, and this at present is non-existent. Indeed, there appears to be a feeling to disregard the possible menace of renewed inflation and distribute this wealth in development work in their own country. The tendency to a broader viewpoint in international affairs, to which I have referred, will, I hope, grow as time goes on, and the one country in the world which is in a position to do so will extend the relief so urgently required by an economically and commercially distressed Europe.

The state of the international exchanges continues to be a disturbing element in business. Conferences have been called for the purpose of devising some feasible plan for establishing and restoring rates, and the subject has been widely discussed by economists and bankers, but so far no practical proposals have been made to

yield the result desired. Meanwhile, the only certain way of bringing about exchange stabilization is by nations promoting larger production, by removing every menace to peace and by the restoration of sound financial budgets. There can be no profitable international commerce until the currencies of European countries acquire greater value, and this cannot be accomplished until the printing press ceases to be the recourse of impoverished countries.

It is only recently that the importance of foreign trade and foreign credits in the restoration of exchange and in bringing about a more prompt return to prosperity, has been generally recognized. Although difficulties of financing have not by any means been cleared up, it is being realized that domestic trade is largely dependent on export business, even thoug its volume be small. The British Government, as you are aware, has given the lead in inaugurating a scheme for facilitating exports to impoverished countries through the Export Credit Department of the Board of Trade, which is empowered to advance a large sum of money for this purpose. The United States Government has legislated in the same direction by authorizing banking and credit corporations to engage in foreign trade, and it may be that Canada will find a way to participate in similar schemes.

The public finances of Canada deserve more than superficial consideration. The net debt of the Dominion stands at almost $2,350,000,000 or ten times the pre-war figure, in addition to which there are $256,000,000 railway loans guaranteed by the Government. These figures are exclusive of the bonded obligation of the Government railways not directly guaranteed by the Dominion Government, amounting to $532,000,000. Regret is neither felt nor expressed at the expenditure of two billions on account of Canada's share in acieving victory in the late war, but the enormity of this debt and the burdensome taxation entailed should be the constant concern of those who direct public affairs; nor can we regard with other than disquiet the large and mounting debt of the national railways and their subsidiary, the Mercantile Marine. It has been my consistent practice to avoid anything savouring of politics, and if I allude to the railway question, it is only because it relates intimately to public financies, to taxation and so to the daily business of the country, already bearing heavy imposts to sustain the public credit.

In Great Britain and in the United States, as is well known, the railways were returned to private ownership because the operation by the Government was resulting in financial chaos. With our own national system of railways it is well to face the facts. There has to be met an annual fixed charge of about $66,000,000 plus loss in operation, which last year amounted to $32,000,000 and will this year be not greatly less. In addition, a sum estimated at $150,000,000 has to be provided in the next few years for replacements and betterments. I see no reason to change the views I have expressed to you on former occasions, nor do I look for any marked improvement in these conditions so long as the roads continue under public—

that is, political—ownership and operation, which all experience condemns.

Only second in importance to our railway problem is that of immigration. As is well known, following upon the cataclysm of a great war there has come in the past a desire for change and an exodus of people from many countries has resulted. No such movement has yet occurred following the recent upheaval in Europe, but I think Canada has an exceptional opportunity of filling up her waste spaces if a vigorous, sustained immigration policy is set in motion. We need people upon the land—the cities will take care of themselves. Now that the United States has restricted the inflow into that country, now that Great Britain has awakened to the advantage of directing her emigrants to outer parts of the Empire, the time seems opportune for Canadian agencies of all kinds to exhaust every effort to turn the stream to our shores so that our vast uncultivated arable territory may be populated and made productive.

In the most propitious circumstances of trade, prophecy is rash, and in the complicated conditions that now beset us, I will refrain from the risk of forecast. What we do know is that Canada has withstood the shock of deflation and readjustment in a manner which has afforded gratification to our own people and has caused much favourable comment abroad, but a return to pre-war standards cannot be expected at once and probably not for a considerable time to come. The position is still full of difficulties and the way to sustained improvement is not yet clear. While there has been a revival in some lines of business, in others deflation has not yet run its course and stocks are being carried which possibly may have to be written down to lower replacement values.

The revival now being experienced, possibly based upon a demand in consequence of depleted stocks, has given a temporary spurt to buying. I look for a period of rises and falls as demand exceeds supply or otherwise. A return to normality will be hastened if and when labour realizes that war inflation wages cannot be continued, and that the changed economic conditions necessitate more efficiency and greater production if we are to compete successfully in the world's markets. Increased production will, without doubt, be followed by a lowering of prices, larger consumption and fuller employment.

No survey of the business world, however brief, can omit that matter of supreme importance, the Washington Conference on the Limitation of Armaments, the promising progress of which cannot be viewed with other feeling than that of intense satisfaction. Remembering that current commercial disturbance is the consequence of war, the necessity of averting its recurrence becomes obvious. Equally apparent is it that the weight of taxation now impeding the employment of capital is largely the direct product of war. Though the utmost hopes may not be fulfilled, great gain will come from reduction of expenditure on armaments and the lessened taxation thereby made possible. In no small measure the restoration of normal world trade depends upon the outcome of the

conference. A happy issue will give that confidence which creates credit and will go far towards abridging the period of liquidation and reconstruction.

Address by Sir Frederick Williams-Taylor, D.C.L. General Manager of the Bank.

In presenting the 104th annual balance sheet of the Bank I will explain the chief changes which it discloses, and will refer briefly to the most important events bearing upon our affairs during the past year. The alterations to our Head Office building, necessitated by our growing requirements, were completed last January, and I think it is universally agreed that the harmonious union of practical utility with artistic impressiveness is beyond criticism.

The banking world is passing through the most troubled period in its history, but it is fortunate that this state of affairs has been unattended by financial panic. Inevitably, losses brought about through the unprecedented drop in the price of commodities and the heavy decline in the market value of securities have in many instances fallen indirectly upon the banks. More money has been lost by foreign banking institutions operating in certain directions abroad than ever before in a similar period in any country.

I think it may be asserted that in Canada banks generally have been fortunate when compared with those of other countries, and while doubtless all Canadian banks have lost money in loan accounts that have "gone bad" during the past year, no disaster has developed. We do not blind our eyes to the fact that 1921 has been an exceptionally hard year for many of our customers, and, therefore, we have considered it prudent to take an even more conservative view than usual of our loan accounts in estimating what might be classed as doubtful. It is a satisfaction to be able to assure you that our own actual losses have been moderate, and though profits have shrunk, we have come through safely and can report our business as a whole as being in a secure condition, while our position is stronger than ever, with amply liquid assets to meet any contingency.

Our cash and quick assets are 62·27% of our liabilities to the public. To those not in close touch with commercial affairs it may be enlightening to state that the chief cause of the reduction in our profits is the lower rates of interest that have ruled in the large money centres during the year. Furthermore, our loans in Canada are less by $37,000,000 than a year ago, largely because of the general slowing up of business. No one should count on a reduction of interest rates for commercial loans in Canada at the present time, for during the war years rates did not rise here as they did in other countries, and they are still moderate.

A year ago the inflation in trade was at its height, as is demonstrated by the fact that the aggregate loans in Canada of Canadian Banks was 80·8% of their total deposits within the Dominion. The latest figures available show the ratio as 77·5%. The present adverse trade conditions in Canada came as no surprise to us, seeing

that for many months we had the conviction that a reverse was certain to ensue. We therefore continuously cautioned our borrowers against an inevitable period of falling prices with diminished demand for all commodities. The result has been that the greater number are in a comfortable position and our current loans are in a more satisfactory condition than would otherwise have been the case.

As you are aware, in this connection the subject of trade deflation has become a world-wide theme, but the trouble is that many of our merchants and manufacturers simply cannot deflate at present. The demand for their goods has disappeared, while money borrowed from the banks in anticipation of sales cannot be repaid—hence what are termed "frozen credits." Bank loans in many cases have thus become fixed, and the liquid surplus in mercantile balance sheets represented by inventories has, for the time being, lost its true meaning. As usual, the banks have come to the rescue, and, speaking for our own institution, we have maintained to the limit of prudence our acknowledged century-old policy of carrying deserving customers in difficult times.

A sign of the times is revealed in the number of commercial failures. During the twelve months ended 1st October they numbered in Canada and Newfoundland 2,022, which is more than those recorded for any previous similar period since 1915, when the number was 3,016. Provincial and Municipal Governments have undertaken capital expenditures and refunding operations on an extensive scale without borrowing other than temporarily from their bankers, favourable conditions having enabled them readily to market their securities. Our customers in this class owe us $22,791,000.

For the first eleven months of 1921 Canadian provinces, municipalities and railways have borrowed in the American market $144,000,000, while the two first named have floated loans in Canada aggregating $165,000,000 in the same period. The Dominion Government has floated no public loan at home or abroad in the past year. There has been a decrease in our current deposits in Canada of $30,400,000 during the year. This is a natural outcome of present business conditions. Our deposits abroad show little change. A gratifying feature of the situation is that time deposits in Canada have been well maintained, the total for all banks showing a comparatively small reduction of $20,000,000 during the year. Our own deposits in this class show a slight increase of $4,000,000 odd.

I am pleased to report that the improvement in the latter department is owing largely to an increased clientele, and I should like to take this opportunity of stating that we cordially welcome small accounts at all our offices. The note circulation of the country has declined, in keeping with the contraction in trade. The total bank note circulation of Canada to-day is $193,546,000 compared with $249,165,000 a year ago. Our own circulation is less by $10,743,000. In the United States, money is in more plentiful

supply. The average rate for call money in New York for the year under review has been 6·37%, or approximately 2% less than for the previous twelve months.

In London, we have been able to employ profitably the substantial reserves carried at that centre, although our profits have been somewhat diminished by increased taxes and lower money rates. Exchange rates have prevented the issue of Canadian public loans in London, in normal times a very important feature of our London business. With an improvement in the value of the pound sterling we should hope to be again the medium between borrower and lender and secure British capital for Canada's development.

Other Dominion and Crown Colonies less affected by exchange rates continue to appeal to the English investor, and their public issues meet with a good response from the investing public. For the ten months ending 31st October, India and Ceylon have publicly borrowed in London £19,625,000, other British Possessions £47,-029,000 and Foreign Countries £24,346,000. These figures do not indicate that London has lost her position as the world's cheapest international borrowing centre.

The buying of Canadian securities in London, so much in evidence a year ago, has dwindled to small proportions, and there appear to be but few securities left suitable for the Canadian market. Our Waterloo Place Branch continues to be a great convenience, not only to visitors from abroad but, owing ot its location in the West End, to private depositors as well. The services of our Paris Office have been availed of to an increasing extent by Canadians and others visiting France and it became necessary to acquire permanent and larger quarters. The new office will be in Place Vendome near the present premises, and we hope to make the transfer in January next, when we shall have every requisite facility for the conduct of our banking business.

The premium on New York funds is still with us with little prospect of departure in the near future. The rate is 8⅞% to-day as compared with 15% on the 5th December, 1920. The fact that Canadians have become accustomed to the penalty of doing business abroad with an inferior domestic dollar does not alter the fact that Canada is at a very serious disadvantage indeed in its monetary dealings with the United States of America. I shall not go into the matter, as it has been dealt with in my previous reports, except to say that the premium on New York funds will not disappear until we buy many millions less of goods and materials abroad or increase our exports.

The premium would have been higher had it not been that Canada, as stated elsewhere, has borrowed in the United States this year $144,000,000, which sum, so far as exchange is concerned, must be added to our exports or deducted from our imports. Every Canadian should understand, however, that this is merely alleviation, not cure. Economically, it would be far better that we should borrow within our own borders. By borrowing abroad we add

steadily to the already great sum of interest on our foreign obligations annually sent out of the country, the capital amount aggregating nearly $3,500,000,000.

Canada still maintains its excellent credit position in the New York market, and no difficulty has been experienced in floating such loans as have been offered. To revert to our own affairs, I think the shareholders have good reason to agree with the Directors in considering the results of the year's business satisfactory.

As regards the outlook in Canada and the prospect as affecting Canadian business generally, I have no desire to join the list of oracles who predict the date when normal conditions will be restored. For one thing, values are out of joint. Our main dependence is on our natural resources, and at present the purchasing power of the products thereof is at the lowest level reached for several years past. On the other hand, we still have with us high prices in other directions, while retail prices generally are conspicuously out of line.

The cause of this anomaly is still mainly the cost of labour. Unemployment is a natural corrective, though painful and regretted by everyone. Apart from this, I cannot see how we can count upon improved conditions concurrently with trade revival in the United States. Conditions are similar in many respects, as everyone knows, but our liabilities and our mistakes are our very own. Aside from the cost of the war, we must pay the penalty of having mortgaged our future in the building of superfluous railways and in other extravagances.

It is all very well to talk about our vast resources, but we as a people have pledged these resources and wasted our substance to an extent only now being realized. Evidence of this is, first, in the great sum of nearly two hundred million dollars annually sent abroad to meet the interest on our debts; and, second, that our dollar is at serious discount in the United States, with which country we trade so heavily. The Canadian resources that remain intact are the manhood of the Dominion and the industry and ambition of our citizens. In these respects Canada is still rich, and, having learned our lesson from that inexorable teacher, stern experience, we shall emerge from our difficulties in time a wiser nation and then proceed to the full development of a great inheritance on a sound and sure basis, turning the experience of the past to the advantage of the future.

Directors of the Bank and, subsequently, the President and Vice-President, were elected as follows:

SIR VINCENT MEREDITH, BART., *President*
SIR CHARLES GORDON, G.B.E., *Vice-President*

R. B. ANGUS, ESQ.
C. R. HOSMER, ESQ.
R. FORBES ANGUS, ESQ.
LT.-COL. HERBERT MOLSON, C.M.G., M.C.
H. W. BEAUCLERK, ESQ.
HIS HONOUR HENRY COCKSHUTT, ESQ.
E. W. BEATTY, ESQ., K.C., L.L.D.
LORD SHAUGHNESSY, K.C.V.O.
H. R. DRUMMOND, ESQ.
WM. McMASTER, ESQ.
HAROLD KENNEDY, ESQ.
G. B. FRASER, ESQ.
J. H. ASHDOWN, ESQ.
SIR LOMER GOUIN, K.C.M.G.
GENERAL SIR ARTHUR CURRIE, G.C.M.G., K.C.B.

GENERAL STATEMENT

OF

THE BANK OF MONTREAL

31st OF OCTOBER, 1921

ASSETS

Gold and Silver coin current		$25,622,287.14	
Dominion Notes		62,627,391.50	
Deposit in the Central Gold Reserve		11,200,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	$11,357,957.05		
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks	1,820,951.48		
Call and Short (not exceeding thirty days) Loans in Great Britain and United States	96,959,413.55		
		110,138,322.08	
Dominion and Provincial Government Securities not exceeding market value		26,584,002.21	
Railway and other Bonds, Debentures and Stocks not exceeding market value		3,010,402.11	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian		21,207,206.59	
Notes of other Banks		2,755,232.00	
Cheques on other Banks		27,751,452.88	
			$290,896,296.51
Current Loans and Discounts in Canada (less rebate of interest)		184,670,289.10	
Loans to Cities, Towns, Municipalities and School Districts		16,754,821.22	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest		15,129,202.46	
Overdue debts, estimated loss provided for		581,482.02	
			217,135,794.80
Bank Premises at not more than cost (less amounts written off			5,500,000.00
Liabilities of Customers under Letters of Credit (as per Contra)			2,554,904.79
Deposit with the Minister for the purposes of the Circulation Fund			1,090,000.00
Other Assets not included in the foregoing			226,166.59
			$517,403,162.69

LIABILITIES

Capital Stock			$22,000,000.00
Rest		$22,000,000.00	
Balance of Profits carried forward		1,501,646.61	
		$23,501,646.61	
Unclaimed Dividends		15,600.99	
Quarterly Dividend, payable 1st Dec., 1921		660,000.00	
Bonus of 2% payable 1st Dec., 1921		440,000.00	
			24,617,247.60
			$46,617,247.60
Notes of the Bank in circulation		$31,624,820.00	
Balance due to Dominion Government		22,840,543.27	
Deposits not bearing interest		88,618,100.57	
Deposits bearing interest, including interest accrued to date of statement		317,935,871.38	
Deposits made by and Balances due to other Banks in Canada		1,511,954.59	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		2,217,754.34	
Bills Payable		2,336,827.89	
			467,085,872.04
Acceptances under Letters of Credits			2,554,904.79
Liabilities not included in the foregoing			1,145,138.26
			$517,403,162.69

VINCENT MEREDITH,
PRESIDENT.

FREDERICK WILLIAMS-TAYLOR,
GENERAL MANAGER

To the Shareholders of the Bank of Montreal:

We have checked the cash and verified the Securities of the Bank at the Chief Office on the 31st October, 1921, and also at another time as required by the Bank Act, and we have found them to be in accord with the books of the Bank. We have also checked the cash and verified the Securities at several of the principal Branches of the Bank at various times during the year. We have obtained all information and explanations required, and all transactions that have come under our notice have been, in our opinion within the powers of the Bank. We have compared the above Balance Sheet with the books and Accounts at the Chief Office of the Bank, and with the certified Returns received from its Branches, and we certify that in our opinion it exhibits a true and correct view of the state of the Bank's affairs according to the best of our information, the explanations given to us, and as shown by the books of the Bank.

J. MAXTONE GRAHAM, C.A.
JAMES HUTCHISON, C.A. } Auditors.

Montreal, 18th November, 1921. of the firm of Riddell, Stead, Graham & Hutchison

OFFICIALS OF THE BANK OF MONTREAL

SIR FREDERICK WILLIAMS-TAYLOR, *General Manager*

F. J. COCKBURN,
Assistant General Manager and Superintendent Quebec, Maritime, Newfoundland and Mexico Branches

G. C. CASSELS,
Assistant General Manager and Manager London Branches.

D. R. CLARKE,
Assistant General Manager and Superintendent Ontario Branches

W. A. BOG,
Assistant General Manager

E. P. WINSLOW
Superintendent Western Branches

W. H. HOGG,
Superintendent British Columbia Branches

A GREAT CANADIAN INSTITUTION

PRESIDENTIAL ADDRESS OF E. W. BEATTY, K.C., LL.D.
AND
REPORTS OF THE COMPANY

THE CANADIAN PACIFIC RAILWAY*

Mr. Beatty's 4th Annual Address as President of the Canadian Pacific Railway.

The 41st Annual Report, which is now submitted for your consideration and approval, indicates in a vivid way the effect on your Company's operations of the acute depression through which the business of the country passed during 1921, and it is a matter of gratification that, notwithstanding the decrease in gross earnings of $23,619,000, the economies which were effected resulted in somewhat increased net earnings and, of course, a slightly larger surplus after paying fixed charges and usual dividends on the Preference and Common Stocks. The results reflect great credit upon the ability of the officers and men of the Company and are also a tribute to the physical condition of the property which permitted reduction of expenses without in any degree affecting the efficiency with which traffic was moved. During the months of October and November especially the heavy grain traffic was transported most expeditiously, with distinct advantage to the Company's revenues.

As indicated in the report the sales of agricultural lands were relatively small, due to the general depression and the absence of the immigration of agriculturists during the year. In my opinion Canada cannot afford to be without a definite and forward immigration policy much longer. While it is urged that the depression both in agriculture and in general industry with consequent unemployment during the past winter is a reason why active immigration measures should not be taken, it must not be forgotten that there are types of immigrants that can be readily obtained and brought to Canada without the possibility of adding to the burdens of the country. The immigration of young people of British stock can be accomplished without affecting in any material degree the existing situation respecting unemployment. The immigration of domestic servants in substantial numbers may reasonably be encouraged, and the immigration of agriculturists from Northern Europe, Great Britain and the United States who can only be secured in limited numbers should be actively prosecuted.

In addition, the Government would, I think, be well warranted in framing a policy designed to permit more general immigration of carefully selected types from countries, the people of which have

*Note.—Annual Meeting May 3rd, 1922. For a history of the C.P.R. see Supplement to *The Canadian Annual Review* for 1911; for Lord Shaughnessy's last Presidential address see 1918 Supplement; for Mr. Beatty's first 3 Presidential Addresses see 1919 and 1920 volumes.

heretofore come to this country and succeeded under Canadian conditions. It must not be forgotten that Canada's opportunities deserve wide-spread recognition, and even if the setting up of adequate machinery is now begun it will not be until 1923 that the results of the Government's activities will be felt. Unless we feel that the conditions in this country will not be improved for some considerable time to come, it would appear that the preliminary steps to obtain immigrants in substantial numbers should be taken without further delay. The Canadian Pacific for many years has been the most active colonization agency in Canada. Settlers to the number of 54,000 have been placed upon its lands alone, and the cost of the Company's activities in land selling, irrigation and colonization since its incorporation has been extremely large, amounting in the aggregate to approximately $68,000,00 an amount in excess of the total expenditure of the Dominion Government for immigration during that period.

As forecast in the address at the last annual meeting, reductions took place during the year both in rates of wages and in freight and passenger rates. The wage reductions which became effective July 16th last were equivalent to 9·03% on then existing payrolls of the Company. The demand for further freight rate reductions is still persistent throughout Canada and to the existing scale of rates is attributed much of the present slackness in business. It is in my opinion an entirely erroneous impression that the existing freight rates are the cause rather than the result of the present economic conditions, the most important of which from a transportation standpoint is the present scale of wages and working conditions which the railways were compelled by Government authority to accept during the War. It is the view of your Directors and it has been their view for some time that the scaling downwards of freight rates should be begun with reductions on basic commodities, especially in those industries which had felt the general depression most severely.

Notwithstanding the willingness of the companies to make sacrifices in their revenues in the hope that a lower scale of rates on basic commodities would give an impetus to business activity, they have been precluded from agreeing on a definite policy because of the approaching expiration on 7th July next of the provisions of the Railway Act allowing the Railway Commission to make rates irrespective of agreements, statutory or other. In 1897 an agreement was made between this Company and the Government and confirmed by Parliament whereby in consideration of the receipt by the Company of a subsidy of $3,300,000 in aid of the construction of a railway through the Crow's Nest Pass to Southern British Columbia reductions in rates on certain named commodities shipped from Eastern Canada to points in the West and on grain to Fort William were exacted with the obvious intent of assisting the colonization of the Prairie Provinces.

The so-called Crow's Nest rates on the Commodities specified. are from 19% to 49% lower than the rates at present being charged.

The intention of Parliament at that time undoubtedly was to create special rates which the Company would be entitled to collect and which would be legal though not bearing a fair relation to other rates At that time the Canadian Pacific operated about 7,300 miles of railway, but in a desire to give equality of rates to territories contiguous to those mentioned in the statute though not supplied with railway facilities at the time the statute was passed, the Com- extended the application of these Crow's Nest rates to the lines subsequently constructed or acquired so that in 1918 the rates had been applied to 13,772 miles of railway. During the period subsequent to 1897 many thousands of additional miles of railway were constructed by other companies now included in the National Railway System. The rates effective on this Company's lines were naturally put into effect on the lines of these railways so that it is safe to say that the so-called Crow's Nest rates were in practice applied to five times the mileage in operation at the time the agreement was made.

The Crow's Nest scale of rates if applied literally would bring about inequality of treatment between different parts of Western Canada, which must, of necessity, favour some districts against others which now enjoy relatively equal rates. The Government desire to have the facts considered by a special committee of Parliament with particular reference to the operating costs of the railways and to the result of the application of the Crow's Nest scale upon the revenues of the National Railways and of other railways. The situation was twice reviewed by the late Government, once in 1918 when the rates were suspended by Order-in-council under the War Measures Act because of the inability of the companies (in view of the heavy costs of operation) otherwise to carry on successfully and to perform the transportation service so peculiarly essential at that time, and again in 1919 when power to deal with the rates irrespective of the provisions of special agreements was conferred upon the Railway Commission.

In both instances the view of the Government apparently was that Parliament, in establishing the Crow's Nest rates, had not in contemplation the extraordinary and abnormal conditions under which the operations of the railways have been carried on in recent years or the inequalities and discriminations which might be created under the scale of rates then imposed. While considerable progress has been made in reducing expenses, there still exists a serious increase above pre-war costs. The wage scales of 1921 are higher by percentages ranging from 82% to 368% than those existing in 1898 and 1899, and the cost of principal commodities, including fuel and rails is also substantially higher, the increase in the case of rails being 92·32% and in fuel 177·5%. The operating ratio of the Company in 1897 was 57·16%, while for the year 1921 it was 82·28%. The situation is one which should have frank recognition. The matter is in the hands of Parliament which alone can deal with it because of statutory restrictions.

I regard the stability of railway rates in Canada (even if re-adjustments downwards are bound to continue until normal operating conditions are reached) as being of the greatest possible importance to all Canadian railways. For the past four years the extraordinary conditions which prevailed have compelled drastic economies and the conserving of the resources of the companies wherever possible. They have prevented the increasing of facilities and improvements in maintenance and the construction of new lines because no company would be justified in spending freely for these purposes in the absence of adequate revenues. The large railway systems of Canada, are, of course, the chief purchasers of material and supplies, and to the extent to which their purchases for any purpose, including new construction, are prevented by the uncertainty of financial return upon the money invested, a return to prosperity is retarded.

I had been hopeful that the present year would see a resumption of at least normal activity in maintenance and construction works, the necessity for which always prevails on a system the size of the Canadian Pacific. Apparently, however, we have not reached the period at which we can say that large expenditures are warranted, especially in view of the freight rate situation. The steps preliminary to the re-adjustment of wage scales and working conditions are proceeding both in the United States and in Canada. The procedure being followed is that required by the agreements with the labour unions and by the laws of the United States and Canada. An early decision is hoped for in respect of some of the matters in dispute, but the proceedings are, of necessity protracted and decisions are not therefore reached speedily.

Gross earnings on all Canadian roads still show substantial decreases under those of the corresponding period of 1921. Crop conditions, however, so far as they can be judged at this date, are very favourable and there is a returning spirit of optimism and activity which should grow in volume if the agricultural prospects are realized. The Company's taxation is not unnaturally increasing from year to year, approximately $10,000,000 having accrued in Federal taxes during the last five and a half years. As indicated in the Annual Report, the finances of the Company are in splendid condition and the credit of the Company has been well maintained and is extremely high. It is, I think, of national importance that it should be so maintained.

While there are some serious and difficult problems yet to be solved, the general sentiment of the country shows a distinct improvement over that prevailing at the end of last year and the beginning of 1922. I am very hopeful that the importance of the transportation agencies of Canada being permitted to undertake their full share in the country's advancement will receive due recognition, and if it does I am convinced that the return to normal conditions will be greatly accelerated. Your Company will, as always, endeavour to perform its part with the purpose of advancing the expansion of the country agriculturally and industrially. Few

institutions are so linked up with the prosperity of Canada as is the Canadian Pacific and its ability to maintain a high credit has in a large measure contributed to the support received by other Canadian enterprises. Its progression should be step by step with that of the country itself.

Since the publication of the Annual Report the Board has lost one of its members through the death of Sir John Eaton, who joined the Directorate on the 8th day of December, 1919. Sir John Eaton was in the prime of life, a man of tremendous personal influence and of extraordinarily generous qualities. His loss will be very much felt throughout Canada and particularly in the City of Toronto. His counsel and assistance were greatly appreciated by the Board and his death is deeply deplored. The vacancy created by his death has not yet been filled. I cannot speak too highly of the morale and efficiency of the officers and men of the Company. A more loyal group of men does not, I think, exist in any corporation in the world.

41st ANNUAL REPORT OF THE COMPANY

The accounts of the Company for the year ended December 31, 1921, shows the following results:—

Gross Earnings		$193,021,854.40
Working Expenses (including all taxes)		158,820,114.09
Net Earnings		$34,201,740.31
Deduct Fixed Charges		11,519,071.97
Surplus		$22,682,668.34
Contribution to Pension Fund		500,000.00
		$22 182,668.34
From this there has been charged a half-yearly dividend on Preference Stock of 2%, paid October 1st, 1921	$1,613,638.42	
And three quarterly dividends on Ordinary Stock of 1¾% each, paid June 30th, 1921, October 1st, 1921, and December 31st, 1921	13,650,000.00	
		15,263,638.42
		$6,919,029.92
From this there has been declared a second half-yearly dividend on Preference Stock of 2% payable April 1st, 1922	$1,613,638.42	
And a fourth quarterly dividend on Ordinary Stock of 1¾%, payable April 1st, 1922	4,550,000.00	
		6,163,638.42
Leaving net surplus for the year		$755,391.50

In addition to the above dividends on Ordinary Stock, three per cent. was paid from Special Income.

2. The working expenses for the year, including all taxes, amounted to 82·28 per cent. of the gross earnings, and the net earnings to 17·72 per cent., as compared with 84·70 per cent. and 15·30 per cent. respectively in 1920.

3. The gross earnings of your transportation system during the fiscal year under review were less than those of 1920 by $23,619,494, but the net earnings increased by $1,048,695. The large decrease in the gross earnings is attributed to the general business depression which set in at the end of 1920 and continued practically without interruption during the fiscal year under review, to the decrease in passenger fares in January and July and in freight rates

in December, and to a partial crop failure in some portions of Western Canada in areas served by your lines of railway. Of the expenses of the year, 53·84 per cent. was disbursed on account of labour, 25·92 per cent. for material and miscellaneous supplies, 15·51 per cent. for fuel and other locomotive supplies and 3·49 per cent. for taxes. The balance, 1·24 per cent., was necessary to meet Loss and Damage claims. By the exercise of the strictest economy and the deferring of work which could be postponed, especially during the early part of the year when traffic was particularly light, and by the savings effected through the reduction in wages secured in September, your Officers were able to reduce expenses to an amount in excess of the decrease in gross revenues due to the conditions already mentioned. In the circumstances, the year's operations must be regarded as satisfactory, particularly having regard to the decrease in passenger and freight rates mentioned above. The operating ratio compares most favourably with that of other Systems.

4. The sales of agricultural land in the year were 153,304 acres for $2,872,999, being an average of $18.74 per acre. Included in this area were 6,686 acres of irrigated land, which brought $53.15 per acre, so that the average price for the balance was $17.17 per acre. The sales of land in Western Canada were naturally very seriously affected by the ecnomic conditions which prevailed during the year, resulting in a very large decrease in the acreage acquired by purchasers either from your Company or other land-owners. Your Directors are satisfied that with the adoption of reasonable immigration laws designed to encourage the entry into Canada of immigrants of the right type, you may look forward to a distinct improvement in the volume of land sales during the next few years.

5. During the year your Directors disposed in London of £4,800,000 (of which £4,504,428 was delivered prior to December 31), and in New York of $25,000,000 of Four per cent. Consolidated Debenture Stock, the issuance and sale of which you had previously authorized, at prices which under the prevailing market conditions were extremely favourable, reflecting the high credit which the Company enjoys. The sale of this Stock in New York was effected in an eminently satisfactory manner, and though the Security was of a character practically unknown among American investors it received widespread and ready distribution. In order to meet the requirements of the United States market the certificates of the Debenture Stock there issued were made in bearer form with interest coupons attached, under conditions which permit of the conversion into registered Stock at the option of the holder, and you will be asked to give your sanction to By-law No. 47, Sub-section D, enacted by the Directors providing for the issue of certificates in this form.

The market for the Company's Consolidated Debenture Stock being so favourable both in the United States and in England, it was not considered desirable or necessary to create and issue bonds, debentures or other securities secured by pledge of Con-

solidated Debenture Stock, which you authorized at the special general meeting held on the fourth day of May of last year.

6. During the year your Directors consented to the issue of $2,671,000 Five per cent. Consolidated Bonds of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company for the purpose of making payment for the property of the Wisconsin and Northern Railway Company, the purchase of which had been arranged by the Board of the former Company. They also consented to the issue and sale of $10,000,000 of the Minneapolis, St. Paul and Sault Ste. Marie 10-year Six and a half per cent. Notes to be secured collaterally by a portion of the $15,000,000 First Refunding Mortgage Six per cent. Bonds which that Company had power to issue. Both issues were made after the approval of the Interstate Commerce Commission was obtained.

In common with other American railroads the revenues of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company and its subsidiaries fell off very materially during the past year and its operations were in particular seriously affected by the United States tariff against Canadian wheat and the practical shutting down the iron ore mines in Michigan and Minnesota. Their revenues were also adversely affected through the depression in the lumber and livestock business. In these circumstances the Directors of that Company determined upon the reduction of the Preferred and Common Stock dividends to the basis of four per cent. per annum, and in their decision your Directors have concurred. A substantial improvement in traffic conditions on the railways of your United States subsidiaries is confidently looked forward to.

7. The four steamers under construction for the Atlantic and Pacific services will all be in commission for the present season. The S.S. *Montcalm* has already been delivered, and the *Montrose* and *Montclare* and *Empress of Canada* will be delivered in April and May. The S.S. *Princess Louise*, constructed for the Pacific Coast Service, has been put into service and is in every respect satisfactory for the trade in which she is engaged. During the year the Company purchased the steamships *Kaiserin Auguste Victoria*, *Prinz Friedrich Whilhelm* and *Tirpitz* for extremely low prices. The *Kaiserin Auguste Victoria* has been renamed the *Empress of Scotland*, the *Prinz Friedrich Wilhelm* the *Empress of India* and the *Tripitz* the *Empress of Australia*. The two first named will be added to the Atlantic fleet and the *Empress of Australia* will be added to the Pacific fleet. The cost of the ships under construction will exceed the original estimates by a considerable sum, due to protracted labour troubles, increased cost of materials and difficulties in the ship yards during the construction period. With the addition of the new ships constructed and purchased the total tonnage of your fleet will be 438,604 tons—the largest in the history of the Company, and the fleet, in numbers and in the character of ships in service, is in the opinion of your Directors amply able to maintain the high reputation of the Company on Atlantic, Pacific and coastal routes.

8. In anticipation of your confirmation your Directors authorized capital appropriations, in addition to those approved at the last annual meeting, aggregating for the year 1921, $1,743,444, and ask your approval to expenditures on capital account during the present year, as and when the conditions warrant such expenditures, of $10,622,137. Of this amount the principal items are:—

Replacement and enlargement of structures in permanent form	$1,021,700
Additional stations, round houses, freight sheds and shops, and extensions to existing buildings	1,008,200
Tie plates, rail anchors, ballasting, ditching and miscellaneous roadway betterments	243,200
Replacement of rail in main and branch line tracks with heavier section	1,500,700
Additional terminal and side track accommodation	431,500
New Pier "BC" at Vancouver	1,550,000
Extension work on Chateau Frontenac Hotel, Quebec	1,454,500
Additional lining, Connaught Tunnel	550,000
Mechanical Department, machinery at various points	439,000
Improvements to plant and machinery, Angus Shops	218,400
Improvements in connection with Telegraph service	291,400
Line Diversion at Port McNicoll	355,600
LaSalle Loop Line, South Bank Branch, Montreal	300,000
Line Diversion at Kingston Jct	100,000

The balance of the amount is required for miscellaneous works to improve facilities and effect economies over the whole system. Your Directors feel that expenditures, for the first part of the year at all events, should be made with exceptional care in view of the existing traffic conditions and have therefore only authorized expenditures to the amount of $3,958,770, more than $3,000,000 of which is for the continuance of the work on the Chateau Fronenac and the new pier at Vancouver which has already been commenced.

9. At the request of the Government of Alberta your Directors have entered into an agreement for the construction and operation of an extension of the Central Canada Railway for twenty five miles westerly from Peace River Landing to Berwyn. The terms of the agreement for operation are similar to those of the existing agreement between the Government, the stockholders of the Edmonton, Dunvegan and British Columbia and the Central Canada Railway Companies and the Union Bank of Canada, under which the properties of the two companies are operated by your Company. The cost of the construction of the extension is, of course, to be borne by the Province of Alberta.

10. As intimated in the last annual report your Directors entered into an agreement with the Province of Quebec for the construction by your subsidiary, the Interprovincial and James Bay Railway Company, of a railway extending from Kipawa to the Des Quinze River, having a total mileage of approximately seventy-seven miles. The lease of the railways of that Company to your Company on the usual terms will be submitted for your approval.

1. Your Directors have authorized the preparation and erection of a bronze memorial statue to those in the Company's service who lost their lives in the Great War. The statue will be erected in the Windsor Station, Montreal, and replicas placed at Winnipeg and Vancouver. In addition, bronze plaques have been prepared for placing in the principal stations and offices of the Company from London to Hong Kong. Your Directors feel that the heroism, self

sacrifice and high sense of duty which the Company's employees showed should be perpetuated in a prominent way through the out System.

12. The death occurred on the 29th of November last at his home, Brocket Hall, Hatfield, Hertfordshire, of the Right Honourable Lord Mount Stephen, the first President of the Company, in the ninety-third year of his age. Lord Mount Stephen was President from the incorporation of the Company in the year 1881 until August, 18888, and thereafter remained a director until May, 1893, when, finding himself unable to discharge the duties of a director to his own satisfaction owing to his absence from Canada, he retired from the Board. Lord Mount Stephen had been the master spirit of the enterprise from its beginning, and its safe conduct through its earlier perils to the strong and proud position it occupied when he retired from the Presidency was almost entirely due to his great ability, courage, tenacity and inspiring integrity. Your Directors recorded their appreciation of his services by a resolution upon the occasion of his retirement and as a memorial of the lasting benefit to the Company of his invaluable services have also recorded upon their Minutes a renewed expression of the Board's appreciation of that service, together with an expression of their profound regret at his removal by death.

13. The undermentioned Directors will retire from office at the approaching Annual Meeting. They are eligible for re-election:

Mr. J. K. L. Ross, Right Hon. Lord Shaughnessy, K.C.V.O., Sir Thomas Skinner, Bart.

For the Directors,

E. W. BEATTY,

President.

Montreal, March 13th, 1922.

GENERAL BALANCE SHEET DEC. 31st, 1921

THE CANADIAN PACIFIC RAILWAY.

ASSETS

PROPERTY INVESTMENT		
Railway, Rolling Stock Equipment and Lake and River Steamers		$597,206,336.77
Ocean and Coastal Steamships, Exhibit "A"		56,470,503.16
Acquired Securities (Cost):		
Exhibit "B"		128,109,814.18
Advances to Controlled Properties and Insurance Premiums		9,762,633.55
INVESTMENTS AND AVAILABLE RESOURCES:		
(Including amount held in trust for 6% Note Certificates, $60,155,819.31)		
Deferred Payments on Lands and Townsites	$69,296,736.90	
Imperial and Dominion Government Securities	27,310,674.54	
Provincial and Municipal Securities	2,016,721.29	
Debenture Stock in Treasury	7,000,000.00	
Miscellaneous Investments, Exhibit "C," Cost	38,356,459.66	
Assets in Lands and Properties, Exhibit "D"	91,962,630.15	
Cash	5,322,968.14	
		241,266,190.68
WORKING ASSETS:		
Material and Supplies on Hand	$32,997,116.59	
Agents' and Conductors' Balances	3,440,114.17	
Net Traffic Balances	860,757.79	
Imperial, Dominion and United States Governments, Accounts due for Transportation, etc	1,681,377.24	
Miscellaneous Accounts Receivable	7,611,456.73	
Cash in Hand	45,318,948.06	
		91,909,770.58
Total Assets		$1,124,725,248.92

LIABILITIFS

CAPITAL STOCK:		
Ordinary Stock	$260,000,000.00	
Four per cent. Preference Stock	80,681,921.12	
		$340,681,921.12
Four Per Cent. Consolidated Debenture Stock		238,206,431.68
MORTGAGE BONDS:		
Algoma Branch 1st Mortgage 5 per cent		3,650,000.00
Note Certificates 6 per cent		52,000,000.00.
CURRENT :		
Audited Vouchers	9,406,442.66	
Pay Rolls	3,419,137.53	
Miscellaneous Accounts Payable	12,589,518.89	
		25,415,099.08
ACCURED:		
Rentals of Leased Lines and Coupons on Mortgage Bonds		690,882.43
Equipment Obligations		16,610,000.00
RESERVES AND APPROPRIATIONS:		
Equipment Replacement	10,780.419.91	
Steamship Replacement	19,185,401.96	
Reserve Fund for Contingencies and for Contingent Taxes	46,638,047.51	
		76,603,869.38
Premium on Ordinary Capital Stock Sold		45,000,000.00
Net Proceeds Lands and Townsites		93,798,267.39
Surplus Revenue from Operation		128,481,119.85
Special Reserve to meet Taxes imposed by Dominion Government		2,597,888.76
Surplus in other Assets		100,989,769.23
Total Liabilities		$1,124,725,248.92

J. LESLIE, Comptroller.

Auditors' Certificate.

We have examined the Books and Records of the Canadian Pacific Railway Co. for the year ending December 31st, 1921, and having compared the annexed Balance Sheet and Income Account therewith, we certify that, in our opinion, the Balance Sheet is properly drawn up so as to show the true financial position of the Company at that date, and that the relative Income Account for the year is correct.

PRICE, WATERHOUSE & CO.

Montreal, March 13th, 1922. Chartered Accountants (England).

CANADA AND THE WEST INDIES

ANNUAL ADDRESSES AND REPORTS OF THE ROYAL BANK OF CANADA*

53rd Annual Meeting of the Bank.

The 53rd annual general meeting of the Royal Bank of Canada was held at Montreal on Jan. 12, 1922 with Sir Herbert Holt in the chair. Others present were as follows: E. L. Pease, A. J. Brown, K.C., Hon. W. H. Thorne, C. E. Neill, C. C. Blackadar, G. H. Duggan, A. E. Dyment, Hugh Paton, W. B. Blackadar, J. T. Ross, George Caverhill, Robert Adair, Allan Ross, R. MacD. Paterson, C. R. Hosmer, M. W. Wilson, W. A. Black, N. Hillary, D. C. Rea, Andrew Fleming, C. C. Pineo, A. E. Brock, Alex. Paterson, A. Haig Sims, Thomas Clarke, Victor Morin, S. L. Cork, R. L. Ritchie, B. B. Stevenson, R. S. White, F. T. Walker, C. V. Lindsay, S. G. Dobson, G. W. MacKimmie, H. K. Wright and S. D. Boak. The General Manager, Mr. C. E. Neill read the Director's Report for the year ending Nov. 30, 1921:

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, November 30, 1920	$ 546,928.20	
Profits for the year, after deducting Charges of Management and all other Expenses, Accrued Interest on Deposits, full Provision for all Bad and Doubtful Debts and Rebate of Interest on Unmatured Bills	4,037,836.49	
		$4,584,764.69
Appropriated as follows:		
Dividends Nos. 134, 135, 136 and 137 at 12% per annum	$2,436,488.67	
Bonus of 2 per cent. to Shareholders	407,082.00	
Transferred to Officers' Pension Fund	100,000.00	
Written off Bank Premises Account	400,000.00	
War Tax on Bank Note Circulation	203,154.04	
Transferred to Reserve Fund	132,995.00	
Balance of Profit and Loss carried forward	905,044.98	
		$4,584,764.69

Remarks by C. E. Neill, General Manager of the Bank.

The Balance Sheet of the Bank for the year ending November 30, last, submitted to you today, shows a reduction in figures indicative of the deflation which has taken place in Canada and other countries where we have branches. In common with other banks, especially those conducting international business, deposits have decreased, and on account of lessened activity in trade and commerce of all descriptions, our circulation is considerably less than it was a year ago. There has also been a

*NOTE—For History of the Bank see Supplement to *The Canadian Annual Review* for 1910; Succeeding Reports and Addresses are given in the 1911–20 volumes.

substantial reduction in current loans, due to the drop in the price of commodities and the relative smaller volume of business. Repayment of obligations by the Imperial Government has resulted in a reduction of over $12,000,000 in our holdings of securities under the heading "Canadian Municipal and British Foreign and Colonial Public Securities other than Canadian." This decrease, however, has been offset by an increase of approximately the same amount in our holdings of securities issued by the Federal and Provincial Governments of Canada.

Your attention is drawn to the strong liquid position which has been maintained, especially in cash. Liquid assets are 48·61 per cent. of liabilities to the public, and actual cash on hand and amounts on deposit in banks is 29·69 per cent. of our total liabilities. The final payments on account of the last issue of capital stock have been made during the year, and our capital now stands at $20,400,000.00. An addition of $132,995.00 has been made to the Reserve Fund out of profits, and the reserve now equals the capital. Notwithstanding the lessened activity in business, earnings, have been well maintained, net profits being $4,037,836.49, equal to 19·88 per cent. on the capital of the Bank. The usual dividends and an additional bonus of two per cent. have been paid to the shareholders, and $358,116.78 has been added to Profit and Loss Account, which now stands at $905,044,98. I wish particularly to draw your attention to the fact that full provision has been made for all bad debts, and that in addition, adequate amounts have been set aside to provide for any accounts which may be considered in the doubtful class.

In view of the discussions which have recently taken place regarding the obligation of auditors of banks appointed under the provisions of the Bank Act, it is proper that you should be informed that the auditors appointed by the shareholders of this Bank not only certify to the correctness of the Balance Sheet, but they also approve of the value of the bank's assets as stated therein. The representatives of the auditors, who conduct their investigations of the banks business throughout the entire year, have access to the statements, correspondence and inspection reports relative to all loans granted, and their certification of our Balance Sheet is made only after a full examination of all credits granted to customers. In cases where there is any doubt as to the value of a debtor's account, the amount set aside by the Bank to take care of any possible loss is approved by the auditors as being sufficient. Every facility is afforded them to examine each and every account in the and they are encouraged to criticize and make the most detailed investigations of every debt due the Bank, with the relative security.

As an indication of how closely the President, Managing Director and Directors of this bank at Head Office, control the affairs of the Bank, I may tell you that every credit granted of $25,000 and over is approved by them, and there are no loans at any office of the Bank today in excess of $25,000 which have not been approved by the Directors at Head Office. Moreover, committees of resident

Directors of the Bank at Toronto, Winnipeg, Halifax, Quebec and St. John supervise and recommend all loans in their respective districts, and in addition, are informed of all credits authorized in other districts. I desire to commend the loyal and efficient service rendered by all members of our staff during the somewhat trying times of the past year.

Address by Sir Herbert S. Holt, President of the Bank.

I first desire to emphasize the General Manager's statement that all bad and doubtful debts have been fully provided for. Usually the profits of the year are ample to provide for all bad and doubtful debts. Should they not be sufficient, we have a contingent fund, independent of the surplus fund, accumulated during prosperous years, to fall back upon. I have further to say that the Managing Director, the General Manager and Executive Officers of the bank are officials of long experience and proved ability, and that the affairs of the bank receive the unremitting attention of myself and your Directors. I have no hesitation in stating, that in my opinion, the organization and system of supervision in this bank are unexcelled.

The year 1921 will long be remembered as a period of drastic deflation and liquidation throughout the whole world, the aftermath of the war. This deflation was under way when we last met. While it is not yet ended, each month brings us a nearer approach to normal. The heavy decline in the price of commodities, and check in public buying, found many of our manufacturers and merchants in the possession of large unsaleable stocks, purchased at boom prices. Obviously the transition to more normal values was attended by much loss. The fact, however, that there were one thousand fewer failures in Canada in 1921 than in 1915 may be attributed to the abnormal profits accumulated during the war.

The fall in prices necessarily greatly curtailed the volume of credit, and is largely responsible for the contraction in the aggregate of the balance sheet totals of the banks. There has been a heavy decline in the price of wheat, Canada's chief staple and mainstay. The cash return to farmers for the last crop will be much less than that of the preceding year, although the crop itself was a larger one. As a result, our Western farmers have fared badly, and have been unable to liquidate their obligations satisfactorily. Their reduced purchasing power must have its effect on general business. The remedy lies in a drastic scaling down of the present costs of production and distribution. In these costs, wages of labor play a great part. The price of labor is still higher in Canada than it is in the United States.

Economy in management and operation is one of the great needs of the present time. If prices of commodities are not to rise to any extent, but are, as many think, to experience a slow decline over a period of years, profits can only be maintained by increased economy and efficiency in management. These remarks on economy have special force in their application to our Governments,

Federal, Provincial and Municipal. Many Governments and Municipalities are tempted by the facility in disposing of their securities during a cheap money period, such as they are entering upon in the United States, to engage in undertakings which are justified, neither by their population nor their financial position. Thus, there is a heavy drain on the country for tax payments, a great part of which are remitted abroad in the shape of interest on foreign borrowings.

Our foreign trade for the twelve months ending November 30th shows a large decrease in total values, due in great part to falling prices. While we have received a smaller return from our exports, we have paid less for our imports, and the measure of progress is a trade balance in our favour of $55,000,000. We are advancing in the right direction, but a greater effort is imperative. We must bring our favourable balance to a point equal to the interest on our foreign indebtedness. Until we accomplish this, our borrowings abroad will continue. By the development of our coal areas, by improved methods of industrial production, above all by a wider utilization of our water powers, must we labor to restrict our imports. For the expansion of our exports, the speedy settlement of our farm lands is the great need, and immigration should be stimulated. Yet, we should take warning by the experience of our neighbors and admit only those who are desirable. Let us follow the motto of Australia. "You are welcome, if you are the man we want."

Until recently the world outlook was one of gloom and discouragement, but the Conference at Washington has given rise to a growing hope. Not only has it struck at the root of past trouble and future danger by the limitation of armaments, but it has shown how speedily and satisfactorily international problems can be settled where there is desire and good will. With the disarmament question and the Far Eastern questions successfully ended, it is to be hoped than an international economic conference will follow. The great bar to an immediate improvement in the general situation is the financial chaos in Europe. Heavy war debts, budget deficits, reckless issues of paper currency, disorganized exchanges, and seriously impaired trade relations between nations. There can be no return to prosperous times until the credit of distressed nations is restored and exchange is in some way stabilized. The United States is Europe's chief creditor, and as the holder of the major portion of the world's gold, holds the key to the situation. That our vigorous neighbor will follow the centuries old policy of China, and live within herself, as has been suggested, is unthinkable. We feel sure that she is more likely to follow the course adopted by Great Britain, when she was the great creditor nation, and send her money to every part of the world, where it can be safely and profitably employed.

Canada, after accepting every obligation arising out of the conflict, is stronger materially than before the war. We have our debt and our railway and shipping problems, all of which will tax

the wisdom of our statesmen, but on the other side of the scale we must place the growth of towns and cities, industrial expansion, the increase in savings, and the fact that most of our bonds are held in the Dominion. Compared with conditions in Europe, we are fortunate indeed. In conclusion, I wish to say that the scope and character of the existing depression in world trade forbid us to hope for an early or easy return to prosperity, yet I do not think we in Canada need feel any great apprehension as to the future. The unprecedented decline in prices, which was the worst feature of the last year and a half, can hardly be repeated. I thrust that the period immediately before us will be one of salutary economy, both in public and private life, the best preparation for renewed prosperity.

Address by E. L. Pease, Vice-President and Managing Director.

The year just ended has proved a very trying one for the commercial community and for the banks. Never before have we been confronted at home and abroad with so many difficult problems and such adverse conditions. The rapid and severe recession in the prices of all commodities, and the lack of purchasing power, involved heavy losses in inventories, and a great shrinkage of domestic and international trade. The price recession has caused a decline in the productivity of all manufacturing industries, and a consequent fall in profits, so much so, that taxation has become a serious burden, accentuating our need for a larger population among whom it could be shared.

In this period of exceptional stress the banks played a most helpful part. How important, may be judged from the fact that business demoralization, which occurred in every other country, was averted in Canada. This may be regarded as one of the greatest achievements of the Canadian banks. In circumstances so unfavorable, I am sure we have fulfilled the highest expectations of our shareholders in showing profits nearly equal to those of the previous year; by maintaining our dividend and bonus, and by meeting you with strength unimpaired. In the case of farmers, the readjustment of values is complete. They have been compelled to accept a lower net return for their products than before the war. The reduction in manufactured goods has been less drastic. General wholesale prices, although 36% below the high point reached in 1920, are still 68% above 1914 levels. In the end, production costs and selling prices must come down to the buying power of the farmers. The sooner this is effected, the sooner business will revive.

The movement of the Western wheat crop has been rapid. Between September 1st and December 30th, 175,000,000 bushels were delivered at country points, representing an increase over the previous year of 24,000,000 bushels, while shipments East from Port Arthur and Fort William amounted to 117,000,000 bushels, which compared with shipments in 1920 of 88,000,000. The Dominion Government's revised estimate of the 1921 wheat crop places the yield for Canada at 329,000,000 bushels. This estimate should

bring Canada close to first place among the wheat exporting countries of the world. It is interesting to note from the latest figures published by the Dominion Bureau of Statistics, that this large crop is valued at only $283,000,000, as compared with a value of $427,000,000 placed on a considerably smaller crop the previous year. The total value of field crops of 1921 is given as $986,000,000, a reduction of $469,000,000 from the final estimates of the previous year. Since our prosperity depends on a constant increase in the output of farm products, it is gratifying to note that, in spite of hard times in the West, no substantial reduction is expected in the acreage which will be sown to wheat this year.

A blow to our export trade was the imposition six months ago of the Fordney Emergency Tariff. Since the act became effective, the total value of the agricultural products shipped from Canada to the United States, has shrunk from $98,455,000, over the corresponding period of 1920, to $25,928,000. To sell our surplus we are now dependent upon financially demoralized Europe, and are seeking new markets in the East. In spite of these unfavorable factors, we show a favorable balance in trade, amounting to $55,000,000, in-1920, to $220,000,000 in 1921.

The change in world conditions during the past twelve months may be fairly measured by the course of exchange. All the nations of Western Europe have improved their monetary position, but, with the notable exception of Switzerland, the paper currencies of the Central and Eastern countries continue to depreciate. The German mark, the Austrian crown, and the Russian rouble approach the vanishing point. In the far East there has been no great change. The currency of Japan still hovers around parity. Throughout South America there has been a heavy fall. The premium on American funds in Canada has declined during the year from 15% to 5½% at this date, due to our more moderate purchases and loans made in the United States.

A movement which should have the hearty approval of Canadians is the proposed conference of the wheat exporting countries of the world to consider the problem of marketing grain. Correspondence has already passed between the Royal Canadian Grain Commission and the Governments of the United States and the Commonwealth of Australia, and it is hoped that the result will be the establishment of some international organization, which will assist in regulating the marketing of crops and eliminating violent fluctuations in prices.

While Cuba suffered through the collapse in the price of sugar, I have no misgivings regarding her future prosperity. She was prosperous before the war, when sugar ruled about 2c a pound. She has demonstrated in the past, her ability to produce sugar at a cheaper rate than any other country. She enjoys the natural advantages of soil and climate, and possesses the most modern sugar mill installation in the world. A great advantage is her proximity to the American market. The country has neither currency problems nor railway deficits to retard her recuperation, and only a

small war debt to the United States of $10,000,000, on which she is paying interest.

In keeping our doors open at all times, and under circumstances that compelled the Government of Cuba to declare a moratorium, which ultimately resulted in the suspension of three local Joint Stock Banks and several private banks, we have justified the confidence of our Cuban customers and added to Canada's prestige throughout the Islands of the Caribbean.

The year's business of our branches in South America, which were not established until after the boom, has been highly satisfactory and free from loss. The quality of the business we accept is exceptionally high class, consisting in great part of the purchase bills of exchange representing produce exports under Bankers' Letters of Credit. A favourable feature is the wide distribution of risks for comparatively small amounts. Sharp declines in the exchanges of Brazil, Uruguay and Argentina were at the root of many of the difficulties which arose in the foreign trade of those countries. The losses occasioned fell in many cases on the shoulders of United States exporters, whose shipments were refused. This did not involve us in any way, but it gave our branches the opportunity of rendering signal service in the settlement of many of the disputes which took place. Many an exporting firm has put on record its appreciation of the work we have done in this connection.

Already we are feeling the benefit of the new preferential Tariff Agreement with the British West Indies, and Canadian shipments of flour show a decided increase since the preference went into effect. The buying power of the Islands is still restricted, as prices for tropical products remain discouragingly low. That England is alive to the economic possibilities of her West Indian Colonies is shown by her action in sending out a strong committee to enquire into the most effective means of developing these Islands.

It is be hoped that the claim of British Guiana will not be overlooked in the development of Crown Colonies. An expenditure of twenty million pounds sterling has been authorized for public works of immediate importance in the colonies, and loans amounting to six million pounds have already been raised for improvements in Ceylon and Nigeria. The construction of the long projected railway, through the interior of British Guiana to the border of Brazil, would not only render accessible crown lands, rich in natural resources, but would indirectly benefit Canada, whose trade and interests in Britain's South American possession are steadily increasing.

Our Foreign Trade Department has had numerous enquiries directed to it on the subject of West Indian trade. It has been able to place many Canadian firms in touch with reliable houses in other countries. We find the trade information service which we are able to give is quite an attraction to the firms from other countries who are establishing plants in Canada, with a view to doing business in the broad markets of the British Empire. A few months

ago we published a very complete sketch of the banking operations arising from foreign business. This book, entitled "Financing Foreign Trade," was intended mainly for the information of our staff, but on request numerous copies have been sent to Universities and business houses in Canada and abroad.

The business of our Paris branch, conducted as a subsidiary under the title of "The Royal Bank of Canada (France,)" is chiefly of an exchange character, largely generated by our own branches in other parts of the world. The growth of the business has rendered it necessary to secure large premises. We purchased, when prices were abnormally low, a very prominent site, but which we are prevented from occuping until certain leases expire. This subsidiary is proving a very useful and profitable connection of the bank. Our Barcelona branch is also developing a satisfactory business. Unfortunately the Spanish Government is antagonistic to foreign banks and has imposed very onerous taxes. We feel, however, that in view of the long established trade relations between Spain and the West Indies, we should continue this branch.

The outlook for the coming year is hopeful. It is generally believed that the worst of the depression is past, and that a gradual improvement will set in. Canada's progress depends largely upon the satisfactory adjustment of international economic questions, as we are closely linked with the outside world.

BRITISH WEST INDIES.

The year 1921 will long be remembered as one of the most difficult in the commercial history of the British West Indies. It was marked by a continued decline in the price of sugar, little or no improvement in the market for cocoa, and a poor demand for most commodities, with the exception of bananas produced in Jamaica. The decline in the prices obtained for West Indian products was not offset by an equal decline in the cost of imports, with the result that West Indian producers find themselves in somewhat the same position as our Western farmers, and must continue to suffer from greatly reduced purchasing power, until such time as a readjustment takes place between the prices of the commodities they sell, and the goods they buy.

During this difficult period, failures have naturally increased in number, but in the light of general conditions, have not been excessive. The last few months have seen the rise of a better feeling, and with prices attaining greater stability, the year 1922 should prove more satisfactory than the one just past. Trade between Canada and the British West Indies is developing in a most encouraging manner, thanks to natural causes, and to the influence of the Preferential Tariff Agreement. During the six months ending September last, exports of Canadian produce to the British West Indies naturally did not equal in value those of 1920, but the decline was more moderate than that exprienced in our trade with other countries. We are now exporting goods to the British West Indies and British Guiana at the rate of about $12,000,000 per annum,

and our imports probably will amount to some $17,000,000. In these times of reduced values, this represents a highly interesting volume of business.

JAMAICA.

For the half year ending June 30th last, imports balanced exports, both being valued at approximately £1,500,000. The sugar crop amounted to 40,000 tons, but owing to the collapse of the market, it did not bring a satisfactory return to planters. A better state of affairs in the banana market was of great assistance to the island in tiding it over a difficult period. Competition was active, and prices good. The following are the most recent statistics of banana exports.

	Value	Stems
Half year ending June 1921	£791,552	3,932,622
Half year ending June 1920	718,777	4,254,927

During December, the local Council was called to consider the putting into effect of a preferential tariff on Imperial and Canadian goods. The elected members threw out the whole schedule. There is no doubt that Jamaica is held back from granting this preference through her fear of retaliatory action by the United States, which is a highly important market for Jamaican products, especially the banana.

TRINIDAD AND TOBAGO

The past year's sugar crop amounted to some 55,000 tons, a yield nearly equal to that obtained in 1920. The volume of the cocoa crop was large, but its value declined sharply. These are the figures:

Cocoa Crop for First Ten Months of the Year.

	Volume Pounds	Value Dollars
1919	56,591,767	12,861,750
1920	57,585,723	9,161,355
1921	72,976,763	5,076,973

Exports and imports balanced during 1920, both being valued at approximately $45,000,000. In the face of lower prices and quiet business, the trade of Canada with Trinidad for the six months ending September last, showed an actual increase in value. For this period, imports into Canada from Trinidad were valued at $1,000,000, as compared with $340,000 in the preceding year, exports at $2,524,000 compared with $2,271,000. This is a remarkable showing. The year just past has probably been one of the hardest experienced in the history of Trinidad, both the cocoa and sugar industries having been hit by declining prices. Lack of capital hampered many of the oil companies in the development of their holdings, but there now appears to be an improvement in this respect, and a number of enquiries with regard to local property have recently been made by foreign capitalists.

BARBADOS.

The exceedingly small sugar crop of 1921 intensified the effect of low prices on the economic situation of Barbados. All sugar

producers have found it necessary to exercise rigid economy. This has curtailed the spending power of labor, and has resulted in the merchants reducing their importations of goods to a minimum. Until October, the outlook for the coming crop was poor, and it was expected to be no larger than the 23,000 ton crop of last year. Better weather conditions during October have somewhat improved prospects. An act providing for the imposition of an income tax, to take effect from the first of Jan., 1922, has been passed by the House of Assembly, but no rate has yet been fixed. The following are the figures of imports and exports for 1919 and 1920:

	1919	1920
Imports	$18,688,598	$24,698,577
Exports	10,535,582	17,088,403

GRENADA.

The cocoa crop of 1919, although larger than that of the preceding year, was about 30 per cent. below the yearly average. This, combined with low prices, has resulted in a poor year for the island. The decline in the value of cocoa is illustrated by the export statistics, which show that, while 79,669 hundred weight, exported during the first ten months of 1920, were valued at £460,-129, 83,721 hundred weight exported during the same period of 1921, were valued at only £177,439. Exports of nutmegs also increased in volume, but declined in value. The most recent figures of foreign trade are for the period of Jan. 1st to Oct. 31.

	1920	1921
Exports	£588,268	£257,360
Imports	421,712	214,649

ST. KITTS, NEVIS.

Business has been quiet in these islands during 1921, due to the low price obtained for sugar and cotton, and the consequent reduction in spending power of the population. The sugar crop in St. Kitts amounted to 8,000 tons, of which 7,880 had been shipped up to Sept. 30, the price obtained being £25 per ton, as compared with £38-10 last year. The outlook for the next sugar crop is good.

ANTIGUA.

The sugar crop of the past year was a moderate one, yielding 11,320 tons, as compared with 15,500 tons in the preceding year. Estimates of the coming crop place it at 10,000 tons. The improvement in the cotton market this autumn was of material assitance to Antigua. Sale of the 1920-21 crop has practically been completed, at the rate of two shillings, or a little higher, per pound. Exports for 1920 were valued at £642,437, as against imports of £554,742, the excess of exports amounting to £87,695. The figures of foreign trade during 1921 will naturally be found to have undergone a substantial reduction.

DOMINICA.

The lime industry is the most important in Dominica. Lime juice, in common with other products, has fallen heavily in value, from as high as £45 per pipe of 108 gallons, to the present approxi-

mate price of £19. The demand for lime products fortunately has been moderately good and shipments from Dominica are little below those of 1920. During 1921, a plant has been installed for making citric acid, the price obtainable for which is estimated to be relatively more favorable than that from which raw lime juice can be disposed of. The first shipment of several hundred weight of citric acid crystals, left the island late in November. Cocoa shipments have been heavier in 1921 than in 1920. Total imports for 1920 are valued at £286,000, and exports at £231,000.

MONTSERRAT.

The value of imports into the Island of Montserrat for 1921, up to September 30, was $225,000. The most important items are textiles, flour fish and lumber. Monserrat received 17.77 per cent. of its imports from Canada. On account of the preferential tariff, Canada has excellent possibilities for building up a larger export trade with the island, more especially since the steamers of the Royal Mail Steam Packet Company (Canadian Line) are the only ones which actually touch at the port of call. Shipments from the United States have to be sent by the Quebec Line to Antigua, and re-shipped from that place by small sailing sloops. Cotton and limes, the most important crops, were exported to the value of $185,000 and $20,000 respectively, during the ten months ending October 31, 1921.

ST. LUCIA.

The principal exports of St. Lucia are sugar, cocoa and lime products. Good crops of sugar and cocoa were harvested during, 1921. The coaling business of the island has suffered a set-back, the number of vessels calling for bunker coal having declined substantially. For the first ten months of the year, total imports are valued at £172,000, principal exports at £193,000.

BAHAMAS.

It is anticipated that the imports into the Bahamas for the year ending Dec. 31, 1921, will reach £1,023,000, an increase of approximately £32,000 over the previous year. The exports for the same period probably will total £408,000, an increase over 1920 of £108,000. The cash receipts from tourist traffic more than made up for the apparent unfavorable balance of trade in merchandise. The revenues of the Colony are in excellent condition. Never before have transportation facilities been so good. Both the Royal Mail and the Leyland Line intend establishing a monthly service which will provide direct communication between the United Kingdom and the Colony. From Canada, the Canadian Government Merchant Marine, has maintained a three weekly service throughout the year, and from New York, both the Munson and Ward Lines will run a weekly service from January to April.

BRITISH GUIANA.

It is estimated that the British Guiana sugar crop for 1921 will reach 100,000 tons, an amount which exceeds early estimates

by some thousands of tons. The low price obtainable has made it difficult or impossible for the sugar plantations to operate profitably under prevailing costs of production. The rice crop is expected to be a large one. Stocks of rice from the last crop are still on hand, but a slight improvement is noted in the market. One export industry, which shows signs of improvement, is the diamond trade, which has of late attracted increased attention from abroad.

Canada is coming to depend on British Guiana for a constantly increasing percentage of her raw sugar requirements. During the six months ending September 1921, Cuba was the only country which shipped more sugar to us than British Guiana. If the month of September alone is considered, our imports of sugar from British Guiana were larger than from any other country, and constituted 25 per cent. of our total purchases of this commodity for the moneth in question. As a consequence, our trade with British Guiana shows an appreciable increase. Our imports, during the twelve months ending November, were valued at $11,830,000, an increase of $6,-000,000 over 1920. Our exports were lower at $2,678,000.

BRITISH HONDURAS.

No figures of the exports and imports of this Colony for the current year are yet available, but it is certain that both have fallen off considerably as compared with 1920. The prices for the principal commodities of British Honduras, mahogany, chicle and cocoanuts, are low, and do not offer encouragement for development. Exports of Canadian products to British Honduras were larger in the six months ending September last than ever before, and were valued at $98,500, as compared with $4,000 during the same period of the preceding year. Several oil companies are carefully exploring the Colony for oil, and while nothing tangible as yet has been discovered, there exists a hope that oil might be found in paying quantities.

The Directors of the Bank were re-elected for 1922 as follows with Sir Herbert Holt afterwards chosen as President and E. L. Pease, Vice-President and Managing Director:

Sir Herbert S. Holt, K.B.
E. L. Pease
Jas. Redmond
G. R. Crowe
D. K. Elliott
Hon. W. H. Thorne
Hugh Paton
A. J. Brown, K.C.
W. J. Sheppard
C. S. Wilcox
A. E. Dyment
C. E. Neill
Sir Mortimer B. Davis
G. H. Duggan
C. C. Blackadar
John T. Ross
R. MacD. Patterson
W. H. McWilliams
Capt. Wm. Robinson
A. McTavish Campbell
Robert Adair
W. A. Black

THE ROYAL BANK OF CANADA.

GENERAL STATEMENT NOVEMBER 30th, 1921

ASSETS

Current Coin	$16,012,219.57
Dominion Notes	28,540,559.25
United States Currency and other Foreign Currencies	29,912,018.81
Deposit in the Central Gold Reserves	13,000,000.00
Notes of other Banks	2,828,510.11
Cheques on other Banks	21,594,382.76
Balances due by Banks and Banking Correspondents, elsewhere than in Canada	24,080,818.88
Dominion and Provincial Government Sec urities, not exceeding market value	24,050,584.03
Canadian Municipal Securities and British Foreign and Colonial Public Securities other than Canadian, not exceeding market value	9,832,512.43
Railway and other Bonds, Debentures and Stocks, not exceeding market value	15,128,520.60
Call Loans in Canada, on Bonds, Debentures and Stocks	13,080,429.50
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada	24,543,074.57
	222,603,630.56
Other Current Loans and Discounts in Canada (less rebate of interest)	163,017,459.32
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	89,132,820.47
Overdue Debts (estimated loss provided for)	411,365.20
Real Estate other than Bank Premises	985,573.59
Bank Premises, at not more than cost, less amounts written off	10,627,758.86
Liabilities of Customers under Letters of Credit, as per contra	12,535,480.27
Deposit with the Minister for the purposes of the Circulation Fund	985,000.00
Other Assets not included in the foregoing	349,341.48
Total	$500,648,429.75

LIABILITIES

To the Public:	
Deposits not bearing interest	$95,168,911.64
Deposits bearing interest, including interest accrued to date of Statement	280,447,431.90
Total Deposits	$375,616,343.54
Notes of the Bank in Circulation	31,290,337.14
Balance due to Dominion Government	23,160,749.32
Balances due to other Banks in Canada	2,426.04
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries	10,572,105.10
Bills Payable	4,733,607.59
Acceptances under Letters of Credit	12,535,480.27
	$457,911,049.00
To the Shareholders:	
Capital Stock Paid up	$20,400,000.00
Reserve Fund	20,400,000.00
Balance of Profits carried forward	905,044.98
Dividends Unclaimed	14,630.77
Dividend No. 137 (at 12% per annum), payable Dec. 1st, 1921	610,623.00
Bonus of 2%, payable Dec. 1st, 1921	407,082.00
Total	$500,648,429.75

H. S. HOLT, *President* — EDSON L. PEASE, *Managing Director* — C. E. NEILL, *General Manager*.

AUDITORS' CERTIFICATE

We Report to the Shareholders of the Royal Bank of Canada:—

That in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

That we have checked the cash and verified the securities of the Bank at the Chief Office at 30th November, 1921, as well as at another time, as required by Section 56 of the Bank Act, and that we found they agreed with the entries in the books in regard thereto. We also during the year checked the cash and verified the securities at the principal Branches.

That the above Balance Sheet has been compared by us with the books at the Chief Office and with the certified returns from the Branches, and in our opinion is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank.

That we have obtained all the information and explanations required by us

S. ROGER MITCHELL, C.A.,
W. GARTH THOMSON, C.A.,
of Marwick, Mitchell & Co.
JAMES G. ROSS, C.A.
of P. S. Ross & Sons
Auditors.

Montreal, Canada, 19th December, 1921

A GREAT BUSINESS ORGANIZATION

THE CANADIAN MANUFACTURERS' ASSOCIATION

ADDRESS BY PRESIDENT W. S. FISHER

Address by W. S. Fisher of St. John, President of the C. M. A.

As President of the Association, and also as a Maritime Province member, I take pleasure in welcoming you to this the Fifty-first Annual General Meeting of the Association which, by the way, opens the second half century of the Association's career. I am glad to see so many members from the various Provinces of Canada assembled here ready to discuss not only industrial, but also national matters, and to offer their assistance in dealing with them.

TRADE CONDITIONS

Producers such as the farmers and ourselves; the distributors, such as wholesalers and retailers; the financial organizations, the transportation companies, in fact, all groups who are factors in the nation's business have passed through very trying experiences during the last two years.

There has been a great decrease in trade; first, in foreign trade, owing to international poverty, increases in the tariffs of other countries, the paralysis of Russia, and the wars and political disturbances in Europe, and Asia; second, in domestic trade, owing to a reaction from the above causes, and in addition to local conditions peculiar to this country.

Bankruptcies, unemployment, and discontent followed as a matter of course.

The suffering was partly comparative. Everything got out of scale during the war. Farmers became accustomed to big prices for their products, manufacturers to trade flowing to them without effort, workmen to high wages and the distributing trade to easy sales. This prosperity was largely imaginary. It was a paper prosperity. People handled more money, that is, received more and spent more. They are now gradually receiving less and spending less and the relative positions of most individuals are little changed.

In comparison with other nations Canada is in a fairly satisfactory position. Generally speaking, business is steadily, though very slowly, improving, the international situation seems to be clarifying, money is easier, surplus stocks have been reduced, basic production is recovering, unemployment is decreasing, prices are stabilizing and demand is reviving.

Canada has still many serious problems to face but the energy and ability that solved problems in the past should find the solution for those of the present and future; but all Canadians, forgetting



William Shives Fisher
President of the Canadian Manufacturers Association in 1920-21.



John Ross Shaw
Elected President of the Canadian Manufacturers Association for 1921-22.

domestic differences, should first ascertain the national situation, and then unite in providing for it. Work is the panacea for most of our ills, physical or mental, and we have now reached a period in our history when all classes must realize this as never before in order to hold our own in the world's struggle ahead, when competition will become keener.

To this end we must develop efficiency in all our walks of life to a much greater degree so that, after providing for our home wants, we will have a good surplus to sell in the world's markets.

If all co-operate in support of the right policies, conditions will rapidly improve; if there is disagreement or the selection of wrong policies, improvement will cease and conditions will become worse.

THE GREAT PROBLEM.

The National Debt of Canada has increased from three hundred and thirty-six millions in 1914 to two billion four hundred and twenty seven millions at the present time. Provisions must be made not only to pay the interest on this debt but also to reduce it. How is this to be done? Taxation will raise enough money to pay current expenditures, including interest, but no form of taxation of our present wealth can be practically applied to reduce the principal. That can only be diminished by developing the national resources of the country. The farms, the mines, the forests, the fisheries and the factories, if trade is wisely stimulated, will provide the wealth which will pay off this debt. In other words, the earning power of Canada must be vastly increased and all national policies should be directed to that end, finance, labor, transportation and markets.

In the determination of these policies the following will be the chief factors, Government, raw material, power supply, Government will have two functions active and passive. The active function will include maintianing safety for life and property, the administration of justice, the economical conduct of the country's affairs, the encouragement of productive enterprise and the stimulation of trade.

The passive function will consist chiefly in a judicious abstinence from harmful activity. The unsettled condition of public opinion during recent years has produced from Parliament, the nine Legislatures and the numerous boards, commissions and municipal councils a vast network of laws, regulations and restrictions, many of which are either worthless or injurious.

There is a foolish economy which defers necessary expenditures and thus increases the ultimate cost. The country does not want this but it does require a rational and rigid economy in expenditures. There has been too much thinking in millions of dollars during the past few years. Canada should also go slowly in regard to social legislation which is being constantly urbed by people who are not as a rule large tax payers. They propose, but others pay. A certain degree of progress in social conditions is commendable and necessary, but this must not run ahead of the earning power of tax payers and

thus lead to the confiscation of savings, a course which must end in financial disaster.

WEALTH TO BE DEVELOPED.

There is a tendency to use extravagant language in describing the nature and extent of the raw materials remaining in Canada. There is no doubt about their existence. It is estimated that there are three hundred million acres of land fit for farming. One-third is at present in farm holdings, of which only sixty million acres are under cultivation. Consequently, two hundred and forty million acres of fertile land await the plough. Of the world's supplies Canada produces—90% of its cobalt, 80% of its asbestos, 85% of its nickel, 32% of its pulpwood, 20% of its lumber, 20% of its cured fish, 18% of its oats, 15% of its potatoes, 12% of its silver, 11% of its wheat, 11% of its barley, 4% of its gold, 4% of its copper. These are only some of the great stores of potential wealth.

While it is an undoubted fact that this wealth exists, its availability is another matter. To have commercial value it must first be developed, which will require not only capital but also power, labour, transportation, and markets.

Power we have in abundance. Coal in the Eastern and Western parts of Canada is plentiful; Alberta alone, it is estimated, contains 14% of all the coal reserves in the world. If central Canada lacks coal, this area has large supplies of water power. The Water Power Committee of the Conjoint Board of Scientific Societies, England, in July 1918, estimated the water powers of the entire British Empire at between 50 and 70 million h.p. The water power of Canada was estimated at between 18 and 32 million, of which 2½ million is developed or under construction. Most of the industrial centres of Canada are supplied, or can be supplied with electrical energy derived from water power with ample reservations, located within easy transmission distance. Until very recently, coal was considered the most desirable source of power, but now water power is recognized to be superior. A fair figure representing the amount of coal equivalent to 1 h.p. of installed water power is 9 tons per year. In 1920 the developed water power h.p. installed was 2,459,200 h.p. which was equivalent to 21,133,000 tons of coal.

CANADA NEEDS MONEY.

A young country such as Canada requires capital, which is difficult to secure at any time, and is more elusive now when few nations have money to lend. Capital flows readily into a country where it is assured of safety and a reasonable return; it flies from a country where it is taxed unduly or threatened with confiscation. Extravagant public enterprises, financed by the issue of high interest bonds, should be avoided because domestic capital is diverted to the purchase of these bonds instead of being invested in productive enterprises. Manufacturing and other forms of production should not have to bear an unreasonable share of taxation, a policy which has been strongly urged recently by leading business men in Great

Britain and the United States. The Dominion Government has wisely broadened the basis of taxation by establishing and increasing the Sales Tax. No one likes the Sales Tax, least of all the manufacturers who have to collect it and we hope that it will serve its purpose and disappear in time, but it has the merit of providing a large amount of revenue with practically no administrative cost.

The Canadian banking system has stood the great strain of the War and the after period and has come through stronger than ever and better able to finance the development of this country. Canadian bankers have shown a broad-minded and generous policy in financing enterprises while at the same time properly safeguarding the savings of the people entrusted to their care, and we have every confidence that this policy will not be altered.

We should be proud of our banking system, which, as you know, closely follows that of Great Britain and more particularly that of Scotland, the banks being in the hands of private enterprise and functioning with a minimum of Government supervision, a condition we hope will continue.

Canada needs skilful and willing workers and, by the way, there is no restricted class in Canada, segregated from others under the descriptive term "workers." We are all workers. May I say here, that those who exchange their services for salaries and wages in Canadian factories are as skilful, as industrious, as intelligent and as good citizens as can be found in any other country in the world. While there are extremists, the great majority realize that their interests are identical with those of the individual plants in which they work. If the plants prosper they are assured of steady work at fair wages; if the plants fail they suffer.

MORE PEOPLE NEEDED.

Our huge national debt, sparsely settled country and immense undeveloped resources render desirable a return to pre-war conditions, when a large flow of immigration was received from other countries. Through the press and from the platform financiers and executive railway officials have stressed this point. A Sub-Committee of the Cabinet, since the opening of Parliament, has been engaged in a consideration of the question and, as a result of its activities, the former restrictive money qualification regulation has been cancelled and immigration officials on the border are now authorized to admit without reference to the amount of money in his or her possession, any immigrant considered physically, mentally and morally fit, who are farmers, farm laborers or female domestic servants, and who, with reasonable assurance of employment, are coming to Canada to engage in such occupations. The officers may likewise admit families of persons already settled here in a position to receive and care for their dependents, and any British subject coming to assured employment, or any United States citizen whose service, in the opinion of the Minister of Immigration, are required in Canada. Under the new regulations, continental Europeans are required to have their passports vised by a Canadian Immigration

Officer stationed in Europe, and other immigrants, with the exception of British subjects or American citizens, must have their passports vised by a British Consul. The elimination of the money qualification regulation is likely to result beneficially to Canada, but it is to be hoped that the Government will in addition, without encouraging indiscriminate immigration follow the advice so freely tendered to speed up their efforts to secure desirable immigration so necessary for the development of the country.

MARKETS—HOME AND FOREIGN.

Materials, capital and labor can produce goods but the reward comes only when the goods are sold. This brings me to the question of markets. The home market is the best market. The greater part of the products of the farms, the mines, the fisheries, the forests and the factories is sold in Canada. Surely then the home market should be adequately guarded by the Customs tariff.

It is an extraordinary fact that, while all other industrial countries in the world have greatly increased their Customs Tariffs since the war, Canada is the only country that has followed the opposite policy. This country has suffered three downward revisions in the tariff inside of three years; one in the Budget of 1919, one in the Budget of 1920 and one in the last Budget. While other countries have been raising their tariffs and shutting our goods out, Canada has thrice lowered her tariff, encouraging the goods of other countries to come in. This policy is not only opposed to the trend of international events, but is also contrary to the national fiscal policy under which this country has prospered and developed for over forty years.

Will every succeeding year see another tariff revision downward? Where will it end?

Is it not a sound policy to encourage the manufacture of articles used by Canadians in Canada, from Canadian materials and by Canadian workmen so that wealth may be accumulated in Canada and then taxed to pay off the national debt? Or should the national resources be plundered and sold in crude form, presenting to other countries the profits and employment from turning them into finished products, leaving Canadians bond slaves forever paying interest on the national mortgage? There are a hundred arguments in favor of the protective policy: There is only one of any weight that is ever used against it, viz: that if there were no Customs Tariff, Canadians might be able to buy some imported articles cheaper than they now buy the same Canadian articles. There is not the slightest indication that the abolition of customs duties in Canada would produce this result. On the contrary, there are the strongest reasons for believing that, if the Customs tariff were abolished the manufacturers of other countries would flood the Canadian markets with their surplus goods at prices below the cost of production, until many Canadian factories were forced out of business. Then the manufacturers of other countries, having largely eliminated Canadian competition, could set what price they wished for their goods

in Canada, and in the end Canadians would pay more, not less, for the manufactured goods they buy. As a matter of fact, the prices of Canadian manufacturers compare favourably with, and in many cases are lower than, the prices of the manufacturers of other countries where living conditions are similar to our. The majority of Canadians must believe that this is so, because, where the Tariff Commission toured Canada in 1920, we asked for specific proof of charges to the contrary, but our request was unanswered, except by vague general statements. The fact that 80 per cent. of the purchases of Canada's largest departmental store are Canadian goods is a striking proof that Canadian quality and prices are acceptable to the buying public. On the Protectionist side there is solid achievement which has created 38,000 manufacturing establishments in Canada, representing invested capital of $3,230,000,000, producing, annually, products valued at $3,500,000,000 and providing a living for 700,000 employees and their families or, approximately, two million people. On the other side there are only prophecies of what might be, if certain theories were put into effect without regard for the wisdom of experience and the policies of other countries.

NEW ARTICLES.

The general public scarcely yet realizes the enormous development in manufacturing in the last few years. It shows what we can do when given the opportunity. During the war other countries which had previously shipped us great quantities of goods, could no longer do so and we had to either make these goods ourselves or go without them. The manufacturers started to make them and, owing to the war conditions, their early efforts were not stifled by competition before they got under way. In addition, the Government raised the tariff materially by imposing a uniform revenue tariff increase of 7½%. With this increased protection, a reduction of competition from abroad, and a good demand for manufactured goods from other countries, the manufacturing industries of Canada expanded greatly. Several thousand articles are now made in Canada which were not made here six years ago. Surely Canada will not take a backward step and surrender this advance to her competitors.

TARIFFS AND CARRIERS.

Everyone admits that the transportation problem in Canada is serious but everyone does not realize that transportation is inseparably linked with the Customs tariff. A scrutiny of the articles carried by the transportation companies shows that a very large percentage of the high paid tonnage consists either of products moving to factories or to factory populations and those dependent on them, or of goods moving from factories to other factories in a partly finished condition, or to consumers in a finished condition.

The transportation systems have been developed on the East and West principle. Their welfare is dependent on the maintenance of adequate duties between Canada and the United States, as every reduction in these duties increases North and South traffic at the expense of East and West traffic.

It is strange that the strongest demands for a reduction of th tariff come from Western Progressive members of Parliament, w are equally insistent on getting lower freight rates. The develo ment of many new industries has provided traffic from industri centres to the grain-growing areas. This traffic moves throughou the entire year, and contributes in a very substantial way to th total revenues of the transportation companies. Nothing is mor certain than that our transportation services could not have ob tained their present magnitude and efficiency without the industria expansion which provides return loads for the trains that carry farm products from the Prairies. But for this, the freight rates on agricul tural products from the Prairies would have been so high that th Western farmers could not ship their produce to the sea.

The injurious effect of lowering customs duties would extend t the Canadian Government Merchant Marine and private lake an ocean shipping, the national ports of Canada, the canals, and th national financial organizations, all of which share with the railway in the development of domestic and foreign trade. The Govern ment has decided to give the public ownership of railways and th Merchant Marine a fair trial and this policy cannot be criticized adversely unless a better alternative is suggested. We have none t offer but we do offer our co-operation. In the end the experimen will succeed only in the degree to which it avoids political inter ference and provides that efficient service at reasonable cost which is so necessary to stimulate foreign and domestic trade.

SELLING GOODS ABROAD.

Although the home market is the best market Canada need other markets also. Recent years have seen a great fluctuatio in our external trade as the following statistics show:—

Year Ending March	Imports	Exports
1914	$ 633,692,449	$ 431,589,658
1919	916,429,335	1,216,443,806
1920	1,064,528,123	1,239,492,098
1921	1,240,158,882	1,189,163,708
1922	747,804,332	740,240,680

As the statistics are in values instead of quantities the volume of trade is not in exact proportion to values, owing to the inflatior of currency, but they demonstrate that the trade of Canada ex panded greatly during and immediately after the war, and that dur ing the past year it has shrunk considerably. It is not necessary to urge you to increase your export sales. You will do that readily if you can find markets. I do not think that the public realizes the great efforts put forth by Canadian manufacturers to retain the ex port trade developed during the War. That we have retained a considerable part of it is encouraging. British Preferential tariffs give us an advantage in several British countries and we are seizing these opportunities. A party of our members, which I had the pleasure of accompanying, has just returned from the West Indies, British Guiana and Bermuda. Groups of manufacturers have sent agents to China, to South America and other countries seeking

ade. Canadian manufactured goods are now sold in forty-four countries, which shows that her manufacturers are losing few opportunities to sell their goods abroad.

Our's is a country of great distances, of wide, sparsely settled spaces divided into scattered units with diverse interests. This, added to the fact that for nearly four thousand miles we skirt the northern boundary of the United States with its large population, highly developed and diversified interests within easy reach of our chief centres of population, makes the problem of our cohesion and development a difficult one.

Only wise and far sighted statesmanship, with due consideration for all classes and sections, can accomplish this and weld together these widely scattered provinces into a nation, prosperous and happy, as upon the degree of prosperity and contentment which exists among our people, whether east or west, depends our welfare as a country.

OUR ASSOCIATION.

May I say a few words about our Association. The C. M. A. is no mushroom growth. It is now in its fifty-first year, and is a thoroughly national organization. It has a large membership in every province of Canada. Its government is democratic. One member's vote is as good as another's, irrespective of the size of his firm. The final power resides in the Annual Meeting; between Annual Meetings it is delegated to the Executive Council. It is significant that about eight hundred of our members serve on the various committees of the Association, a certain number retiring each year, and thus providing new blood while preserving continuity. One of the secrets of the Association's strength and usefulness is that it has never been a one man concern or a group of men concern, nor has it ever been dominated by political, sectional or geographical influence. It is not a merchandising or employment organization; it has always been a body of manufacturers working harmoniously together to study not only industrial matters, but also questions of national interest. Our Association is equipped to deal with national, provincial and municipal matters. The Divisions and Branches deal with matters within their respective territories, but co-operate to secure national action on national affairs. The membership has increased steadily from the time of the Association's foundation, 1872. till the present. It is now about 4,300. On the administrative side the Association has grown from a one room office in Toronto, with a staff of three, to offices in Victoria, Vancouver, Winnipeg, Ottawa, Toronto, Hamilton, Montreal, and Amherst, with a total salaried staff of sixty-five. The cost of maintaining this organization is a very trifling percentage of the annual value of goods manufactured in this country.

It is significant that during the past two years of trade depression, our Association has experienced a net gain in membership each year and it is especially graitfying to note that a large part of this increase has been west of the Great Lakes.

EXTRACTS FROM REPORTS OF COMMITTEES

Executive Committee — W. S. Fisher, Chairman

A report will be presented at a later session on the "Made-in-Canada" campaign, which last year was broadened into a "Produced-in-Canada" campaign and as such received the co-operation of agricultural and other organizations. Your Committee begs to emphasize the great importance of this work which is related so intimately to the prosperity of the country.

Acting with the Tariff, Legislation, Commercial Intelligence and Divisional Committees, your Committee arranged for a deputation to interview the Dominion Government in Ottawa on February 23rd in regard to the following matters connected with the trade and commerce of Canada:—

The French Treaty
Canadian Customs appraisal and depreciated currencies.
Anti-Dumping Legislation.
Marking country of Origin on imported goods.
Taxation.
Preferential Tariff with Australia.
Produced-in-Canada Train to France.
Establishment of a National Bureau of Industrial Research and the Commercial Intelligence Service.

56 members of our Association formed the deputation, and it is interesting note that the delegations from British Columbia and the Maritime Provinces were large and representative in spite of the distance they had to travel.

The value of the Association to members depends on how much they use it. That members are using the services of the Association is shown by the number of meetings held during the past year which are summarized as follows:—

327 General Committee and Trade Section meetings held at Head Office with a total attendance of.....4,905
399 meetings, General, Committee and Trade Section meetings held at Divisional, Ottawa and Branch offices with a total attendance of.....4,150

726 meetings with a total attendance of.....9,055

In the past two or three years there has been an increasing tendency for the trade sections to function through the Divisional offices. Last year, 434 meetings of 76 different groups have been held, distributed as follows:—

Toronto	192	meetings	38 groups	Hamilton	12	meetings	1 groups
Montreal	148	"	21 "	Winnipeg	9	"	3 "
Vancouver and Victoria	63	"	5 "	Ottawa	7	"	6 "
				Amherst	3	"	2 "

In the previous year there were 384 trade section meetings. Thus last year showed an increase of 50 meetings. With few exceptions those who attended these meetings are located within their respective Divisions. Reports of these meetings are centralized in the Head Office, so that co-operation may be developed where necessary, and there hve been many instances where prompt action has been facilitated through the co-operation of groups in different Divisions.

Tariff Committee — Joseph Picard, Chairman

The past three years have witnessed numerous changes in the tariffs throughout the world. Practically every industrial country has revised its tariffs since the war and these revisions, with the single exception of Canada, have been upward. As a result, the work of your Committee and the Department has been greatly increased owing to the extensive requests for information in regard to these new rates. The international situation to-day is that trading countries are fenced about with tariffs much higher than those in existence before the war. This has an important bearing on Canadian trade.

The outstanding tariff changes in other countries during the past year were as follows:—

(a) The United States—the revised United States Tariff, which is now before Congress, has already passed the House of Representatives and has been reported on favourably by the Finance Committee of the Senate. Our information is that it will become law, with but few important changes, in the not-distant future. This Bill provides protection higher, on the whole, than any previous tariff of the United States. An analysis showing the present and proposed United States tariff rates and their effect on some of the principal exports from Canada has been forwarded to our members. Attention is directed to an important Act which was passed in May, 1921, which greatly strengthened the anti-dumping provisions of the United States Customs Act. If the United States Customs find any one article that is being imported at a lower price than the home market price in the country of export an order is issued to their Customs officials which results in the complete prohibition of all imports in that class from any producer in such country of export.

(b) France, Italy, Belgium, Denmark, Spain, Portugal, Sweden, Switzerland, Greece, Bulgaria, Serbia, Roumania, Germany, Japan, and other countries have made substantial increases in their tariffs since our last annual meeting. There has been an erroneous impression that the Safeguarding of Industries Act, which became effective on August 19th., 1921, is Great Britain's only protective measure. On the contrary, since 1915 the United Kingdom has enforced high protective duties on behalf of its motor cars, musical instruments, gramophone, record, moving picture film and other industries.

Membership Committee — P. E. Joubert, Chairman

Fiscal Year	Association's Total Membership	Net Gain Over preceding Year
1899	132	
1900	340	208
1901	825	485
1902	1,080	255
1903	1,275	195
1904	1,511	236
1905	1,839	328
1906	2,104	265
1907	2,189	85
1908	2,185	4*
1909	2,356	171
1910	2,608	252
1911	2,725	117
1912	2,753	28
1913	3,007	254
1914	3,043	36
1915	3,061	18
1916	2,983	78*
1917	3,239	256
1918	3,305	66
1919	3,530	225
1920	4,061	531
1921	4,231	170
1922	4,272	41

* Loss.

Transportation Committee — W. S. Campbell, Chairman

FREIGHT RATES

At the beginning of this report the Committee's views as to a further reduction in freight rates were defined. In this section the work done by your Committee to secure reductions which have been made effective, as well as a further reduction, is outlined.

A memorandum was prepared and submitted to the Executive Committee of the Railway Association of Canada on August 18th, 1921. This Committee which consisted of the presidents of the different railways, intimated that while they appreciated the necessity for some reductions in rates being made, they were unable to make a reduction at that time because the wage decrease, tentatively put into effect in July, had not been definitely settled. Within a week after our conference the Board of Railway Commissioners called the same Executives to Ottawa and informally discussed with them the question of reducing freight rates. The railways' representatives were the only ones invited to this conference, although it should be stated that we had supplied the Board of Railway Commissioners with a copy of the memorandum which we presented to the Railway Executives. Following this conference judgment was rendered stating that a general reduction in rates amounting to 10 points off the remaining portion of increase granted September 13th, 1920, should be put into effect. As the majority of the Board did not concur, the judgment did not become effective. The

majority of the Board were of the opininon that savings accruing from reductions in wages had not been definitely determined and until they were, no reduction rates could be made. Your Committee followed the matter further with the Railway Executive, but were unable to secure any satisfactory statement from them pending further action of the Board of Railway Commissioners. In November the Board issued another judgment which was concurred in by all members ordering the same reduction as that just referred to, the reduction taking effect on December 1st, 1921. We understand that the carriers' representatives proposed to the Board that a reduction in basic commodities would be the proper method of decreasing freight rates, but the Board considered that the best interests of the country would be served by a flat percentage order.

As this reduction did not reduce the level of rates anything like that represented by the reduction in prices of commodities, your Committee, at a meeting on April 6th, considered further action for the purpose of securing a further substantial reduction. A sub-committee was therefore named for the purpose of assisting the Transportation Department in the preparation of a memorandum in support of this view. Many complications appeared, the chief among which was the action of the Government referred to in the Speech from the Throne regarding the question of reduction in basic commodity rates and the possible reinstatement of the Crow's Nest Pass Agreement on July 7th, 1922, also the so-called investigation re "equalization of Eastern and Western Freight rates," commenced before the Board of Railway Commissioners in December, 1920, and concluded on March 30th, 1922.

Commercial Intelligence — L. L. McMurray, Chairman

As forecast in the last annual report of this Committee to the Annual meeting, the definite grouping of its work into domestic services and export services has become even more accentuated. Attendant on and largely resulting from a great mass of detail and routine work, goes an important and increasing list of constructive measures. The Department is a general information bureau on matters pertaining closely or remotely to manufacturing interests. It acts, in many cases, as a testing and inspection laboratory on commercial and economic propositions. A great array of facts and sincere thought in attempting to arrive at the probabilities are the tools, equipment and apparatus used in the tests and inspections.

In domestic activities the following have been foremost subjects:—the planning of a series of graphic exhibits of Canadian products; co-operation with the Ottawa Office and the Bureau of Statistics regarding the production of a concise general statistical statement dealing with Canadian business; propagation of the Made-in-Canada idea, negotiating particularly with large buyers, municipal corporations, etc., with a view to getting general acceptance of Made-in-Canada principles; furnishing data to the Canadian Red Cross Society to enable it to locate promptly adequate supplies of relief commodities in case of any great emergency,—fires, floods, etc.; close study of a new movement suggesting reforms in the distribution and credit systems.

Export questions include:—investigations into probable export tonnage available in the event of direct sailing to Mexico being established; thorough investigation and report on the Franco-Canadian Exhibition Train; plans for the British West Indies trip; plans for co-operation with the Department of Trade and Commerce on many questions relating to the Overseas Commercial Intelligence Service; preparation of data relating to the economic conditions in China and Canada's relation thereto for use at the Disarmament Conference in Washington; preparation and circulation of articles, bulletins and pamphlets dealing with export opportunities for Canadian products; checking misinformed anti-Canadian propaganda in foreign publications; maintaining interchange of information and ideas among the export clubs; research into the possibilities of credit insurance for export trade, and plans for the various export features taking place at this Annual Meeting.

Under direction from the Council, the Committee has undertaken the supervision of the editorial work on the new edition of the Canadian Trade Index which will be ready for distribution early in 1923. This work is of equal importance to both domestic and export services, and together with material gathered on the information schedules of the Trade Index returns, supplemented by our extensive library of statistical and technical reference books, foreign trade publications, constant communication with specialists in Canada and abroad, forms the basis from which the routine work and even some of the constructive work of the Department grows.

Legislation Committee — J. C. MacFarlane, Chairman

COMPANY LICENSING CASES

One of the difficult questions arising under the British North America Act has been that concerning the right claimed by provincial governments to exercise a certain jurisdiction over companies incorporated by the Dominion Government.

While the recent decision of the Judicial Committee of the Privy Council in the Great West Saddlery Company vs. the King, and the various other cases consolidated therewith (involving about seventy-five companies which were doing business in Canada under Dominion charter and were taxed by the provinces in which they operated) throws no additional light on this question, it does, at all events, establish that the provinces have no right by any provincial legislation to interfere with the operations of Dominion companies. An attempt to do this had been made in several provinces by statutes requiring Dominion companies to take out provincial licenses to do business and by the imposition of license fees, and forbidding the carrying on of business in case of default. While it is conceded that the provinces may impose a tax on all companies doing business within their respective limits, there can be no discrimination in this respect between provincial and Dominion companies, neither can any province prevent a Dominion company from carrying on its business for default in payment of taxes so imposed. Transactions carried on through non-resident travellers, or by correspondence is not "doing business" within the meaning of the provincial legislation. This decision also establishes that, with regard to the acquisition of lands within any province by a Dominion corporation, it is bound by the local laws prevailing in each province and where a mortmain law exists, as in Ontario, it is binding on Dominion companies, and land cannot be acquired or held by them except in accordance with the provisions of such provincial law.

Since this judgment of the Privy Council was handed down on 25th February, 1921, seven provinces in all have enacted amendments of their provincial acts to square with the findings of the Judicial Committee—namely Ontario, Quebec, Nova Scotia, New Brunswick, British Columbia, Saskatchewan and Alberta.

Industrial Relations — S. R. Parsons, Chairman

CO-OPERATION IN INDUSTRY

Your Committee during the past year has given considerable attention to the question of the need of promoting co-operation between employers and employees. Your Committee feels that the real solution and the only solution of the so-called problem of industrial relations is the development of a spirit of mutual good-will and co-operation instead of one of antagonism. While anything in the way of paternalism is, of course, to be deprecated, your Committee is convinced that much useful work can be done along lines of working together and that good results will show themselves, not merely in improved relations between management and men, but also, in the most tangible way, in improved production and efficiency.

This is a question which your Committee feels to be of vital importance at the present time for the reason that if Canadian industries are to compete successfully with other manufacturing nations where standards of living and of wages are so much lower, it is essential to reduce the unit cost of production. And if the need for co-operation is clear at the present time, equally clear is the opportunity to develop it—an opportunity which does not present itself when industry is booming, and there is a tendency for employers and employees, to some extent to disregard each other's interests. It only remains to add that—while your Committee approved thoroughly of the principal of "freedom of employment" to all workers, irrespective of their affiliation with any church, order or union—it feels that the common interests of employers and employed would be greatly furthered if some form of co-operative working, adapted as might be applicable thereto, were introduced in the particular units of industry.

WORK COUNCILS

A considerable increase in the development of works councils and shop committees which are, of course, forms of co-operative working, has been noticeable during the past year particularly in the United States, but also, to a lesser degree, in Canada. Your Committee watched with interest what would happen to these work councils when it became necessary for wage reductions to be put into effect. As a matter of fact, in the majority of cases, in the United States particularly, those industries which had developed a works council were able to make wage reductions with less trouble and bitterness than industries which had no works councils. Your Committee feels that the development of works councils is in accord with the policy of the employers of Canada as laid down at the National Industrial Conference in September, 1919, to the effect that dealings between employers and employees should be within the particular plant or unit of industry.

AN IMPORTANT CANADIAN INSTITUTION

ANNUAL REPORT

OF

THE IMPERIAL BANK OF CANADA

The Annual General Meeting of the Imperial Bank of Canada was held at the Head Office in Toronto on Thursday, 25th of Nay, 1922. The Directors' Report and Statement of Affairs of the Bank for the year ending 29th of April, 1922 were presented as follows:

THE REPORT

The Directors have pleasure in presenting to the Shareholders the Forty-seventh Annual Report and Balance Sheet of the affairs of the Bank as on 29th April, 1922, together with Statement of Profit and Loss Account showing the result of the operations for the year.

The balance at credit of Profit and Loss Account brought forward from last year was	$1,171,839.60
The net profits for the year, after deducting charges of management Auditors' Fees and interest due depositors and after making provision for bad and doubtful debts and for rebate on bills under discount were	1,265,838.64
	$2,437,678.24

This amount has been appropriated as follows:—

Dividends at the rate of 12% per annum	$ 840,000.00
Special Bonus of 1% for the year	70,000.00
Annual Contributions to Officers' Pension and Guarantee Funds	42,500.00
Reserved for Bank Premises	200,000.00
Dominion Government Taxes Paid and Estimated	110,000.00
Balance of Account Carried Forward	1,175,178.24
	$2,437,678.24

During the year branches of the Bank have been opened at Jasper, Alberta; Harding, Manitoba,; and Tottenham, Ontario.

The following branches have been closed:—

In Alberta—Bittern Lake; Edmonton, 124th Street; Friedenstal; Leslieville.
In Ontario—Ramore; Union; Welland South.
In Quebec—St. Jovite Station.
In Saskatchewan—Cando; Carlton.

It is with great regret that your Directors have to record the death during the year of the General Manager, Mr. William Moffat, also of Mr. Edward Hay, formerly General Manager and latterly a Director. Both these officers devoted practically their entire business careers to the service of the Bank.

Mr. A. E. Phipps, formerly Assistant General Manager, has been appointed General Manager and Mr. G. D. Boulton, formerly Chief Inspector and Mr. H. T. Jaffray, formerly Western Superintendent have been appointed Assistant General Managers. The vacancy in the Board has been filled by the appointment of Mr. John W. Hobbs.

GENERAL STATEMENT

LIABILITIES.

Notes of the Bank in circulation		$ 9,851,139.00
Deposits not bearing interest	$20,091,430.00	
Deposits bearing interest, including interest accrued to date of of Statement	78,341,272.73	
		98,432,702.73
Balances due to other Banks in Canada	543,002.74	
Due to Banks and Banking Correspondents in the United Kingdom	12,486.97	
Deposits by and Balances due to Banks elsewhere than in Canada and the United Kingdom	491,554.56	
Acceptances under Letters of Credit (as per contra)	100,700.00	
		1,147,744.27
Total Liabilities to the Public		$109,431,586.00
Capital Stock paid in		7,000,000.00
Reserve Fund Account	7,500,000.00	
Dividend No. 127 (payable 1st May, 1922) for three months at the rate of 12% per annum	210,000.00	
Bonus of 1% for the year, payable May 1st, 1922	70,000.00	
Balance of Profit and Loss Account carried forward	1,175,178.24	
		8,955,178.24
		$125,386,764.24

ASSETS.

Current Coin held by the Bank	$ 1,802,073.42	
Dominion Government Notes	12,804,066.25	
		14,606,139.67
Deposit in the Central Gold Reserves		4,002,533.32
Deposit with the Minister for the purposes of the Circulation Fund		369,040.47
Notes of other Banks	998,045.00	
Notes of other Banks		998,045.00
Cheques on other Banks		5,680,686.64
Balances due by other Banks in Canada		397,580.57
Due from Banks and Banking Correspondents in the United Kingdom		262,052.40
Due from Banks and Banking Correspondents, elsewhere than in Canada and the United Kingdom		2,013,825.77
		$ 28,329,903.84
Dominion and Provincial Government Securities, not exceeding market value	$14,153,700.38	
Canadian Municipal Securities and British, Foreign, and Colonial Public Securities other than Canadian	1,479,770.71	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	857,016.41	
		$ 16,490,487.50
Loans to Provincial Governments	$ 1,044,902.40	
Loans to Cities, Towns, Municipalities and School Districts	7,000,827.59	
Call and Short Loans (not exceeding thirty days) in Canada on Bonds, Debentures and Stocks	3,964,800.91	
Call and Short Loans (not exceeding thirty days) elsewhere than in Canada	1,800,000.00	
		13,810,530.90
		$58,630,922.24
Other Current Loans and Discounts in Canada (less rebate of interest)		59,151,220.62
Liabilities of Customers under Letters of Credit (as per contra)		100,700.00
Overdue Debts (estimated loss provided for)		352,154.45
Real Estate (other than Bank premises)		552,616.33
Mortgages on Real Estate sold by the Bank		408,026.70
Bank Premises, at not more than cost, less amounts written off		5,521,006.30
Other Assets not included in the foregoing		670,117.60
		$125,386,764.24

PELEG HOWLAND, President. A. E. PHIPPS, General Manager.

Auditors' Report to Shareholders:

We have compared the above Balance Sheet with the books and acouuts at the Chief Office of Imperial Bank of Canada and with the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the principal Branches on on 29th April, 1922 we certify that in our opinion such Balance Sheet exhibits a true and correct view of the Bank's affairs according to the best of our information, the explanations given to us and as shown by the books of the Bank.

In addition to the examinations mentioned the cash and securities at the Chief Office and certain of the principal Branches were checked and verified by us during the year and found to be in accord with the books of the Bank.

All information and explanations required have been given to us and all transactions of the Bank which have come under our notice have in our opinion been within the powers of the Bank.

Toronto, 17th May, 1922. G. T. CLARKSON, F.C.A., R. J. DILWORTH, F.C.A., } of Clarkson, Gordon & Dilworth.

Your Directors feel it would be more convenient to the Shareholders to hold the Annual Meeting in future in November in place of April as heretofore and a Bylaw changing the date of the Annual Meeting will be submitted to you for your approval.

The Head Office and Branches of the Bank now numbering 212 have in accordance with the custom been carefully inspected during the year and the Auditors appointed by you have also made their examinations as required by law. Their Report and Certificate is attached to the Balance Sheet.

The Directors have again pleasure in testifying to the efficient and satisfactory manner in which the officers of the Bank have discharged their respective duties during the year.

All of which is respectfully submitted.

PELEG HOWLAND, President

The President in his address reviewed general business conditions and the General Manager explained the various items and changes in the Balance Sheet. The Report was adopted unanimously and other customery motions made and carried.

Mr. G. T. Clarkson, F.C.A., Toronto, and Mr. R. J. Dilworth, F.C.A., Toronto, were appointed Auditors until the next Annual General Meeting.

The Scrutineers appointed at the Meeting reported the following Shareholders duly elected as Directors:—Peleg Howland, Wm. Hamilton Merritt, M.D., Sir James Aikins, K.C., John Northway, Lieut.-Col. J. F. Michie, Sir James Woods, Frank A. Rolph, R. S. Waldie, George C. Heintzman, J. W. Hobbs.

At a subsequent meeting of the Directors Mr. Peleg Howland was re-elected President and Dr. Wm. Hamilton Merritt, Vice-President of the Bank.

PELEG HOWLAND, President A. E. PHIPPS, General Manager

Ten Years Progress of the Bank

Date	Capital Paid up	Reserve Fund	Deposits	Total Loans	Total Assets	Dividends
1913	$6,788,169	$7,000,000	$56,802,111	$47,794,377	$ 77,964,108	12%
1914	7,000,000	7,000,000	58,238,854	49,888,335	78,863,251	12%
1915	7,000,000	7,000,000	55,081,904	48,410,659	75,568,247	12%
1916	7,000,000	7,000,000	60,218,627	46,409,027	81,911,757	12%
1917	7,000,000	7,000,000	66,221,281	50,767,243	90,775,728	12%
1918	7,000,000	7,000,000	75,394,652	50,252,209	101,817,909	12%
1919	7,000,000	7,500,000	83,189,234	59,663,123	112,186,457	12%
1920	7,000,000	7,500,000	97,784,217	74,736,153	128,274,168	12%
					Plus Bonus	1%
1921	7,000,000	7,500,000	99,125,011	77,176,033	128,376,612	12%
					Plus Bonus	1%
1922	7,000,000	7,500,000	98,432,702	74,375,246	125,386,764	12%
					Plus Bonus	1%

A GREAT INSURANCE RECORD.

ANNUAL STATEMENT
OF THE
SUN LIFE ASSURANCE COMPANY OF CANADA.*

Director's Annual Report for the Year 1921.

Your Directors present this, their 51st Annual Report, in full confidence that it will be regarded as evidence of highly satisfactory progress. Particularly in all those departments of the business which indicate strength and expansion do the figures now submitted show advances even beyond the most sanguine expectations. New assurances for $107,233,195.36 were applied for. This is a small decline from 1920, which was, to a certain extent, a year of inflation. These figures, however, as compared with those for 1919, show that the normal ratio of steady and large-scale progress has been maintained. New policies were actually issued and paid for to the amount of $90,030,035.66. The passing of the Five Hundred Million mark has made the volume of assurances in force unusually impressive. After deducting cancellations due to deaths, maturities, surrenders and other causes, this figure now stands at $536,718,130.53, representing an increase of $50,076,895.36 over the preceding year.

The total income from premiums, interest and other sources is far in excess of anything hitherto received. The amount $31,107,-149.16 is more than that of the preceding year by $2,355,570.73. $11,967,069.62 was paid to policyholders or their beneficiaries in death claims, matured endowments, profits, etc., which brings the sum similarly paid out since the Company's foundation up to $114,155,003.92. The mortality among our policyholders has been exceptionally favourable. In view of the fact that the volume of business on our books had increased so largely, a much larger amount than was experienced in 1920 was anticipated. The death claims, however, were actually, $319,279.45 less than during the previous year.

A remarkably large number of high-class securities were available as investments during the year. They could be obtained at prices to yield a high rate of interst, and many were for long terms. These conditions presented to your Directors an attractive and unique opportunity for greatly adding to the future earning power of the Company, and they have profited by the position to the fullest extent which the large funds at their disposal would permit. The average rate of interest earned during the year on the invested funds reached the high figure of 6·07%, which in itself testifies to the care and forethought with which our investments have been chosen in the past. The growth of the Company's assets is also note-worthy. They are now at $129,372,127.33 an increase of $14,532,682.85.

*NOTE.—Annual Meeting Feb. 14, 1922. Preceding annual reports may be consulted in the 1911-20 volumes of *The Canadian Annual Review*; A History of the Sun Life will be found in the 1910 Supplement.

The sum of $1,849,089.95 has been paid or allotted in profits to policyholders, the remaining net surplus being $10,383,909.10 over all liabilities and capital stock, a gain during the year of $2,019,241.95. These large additions to assets and surplus justify the claim that the year through which the Company has just passed has been the most profitable and satisfactory in the whole of its history. The members of the Board who retire by rotation are:— Representative of the shareholders: Mr. S. H. Ewing, Mr. J. Redpath Dougall, Sir H. S. Holt and Mr. T. B. Macaulay. Representatives of the policyholders: Hon. Raoul Dandurand and Mr. John W. Ross.

S. H. EWING,
Secretary.

T. B. MACAULAY,
President.

FREDERICK G. COPE,
Secretary.

DIRECTORS AND OFFICERS, 1922

T. B. MACAULAY, F.I.A., F.A.S., *President and Managing Director*
S. H. EWING, *Vice-President*

ROBERT ADAIR, CHARLES R. HOSMER, W. M. BIRKS,
ABNER KINGMAN, HON. RAOUL DANDURAND, H. R. MACAULAY, M.D.
J. REDPATH DOUGALL, CARL RIORDON JOHN W. ROSS,
SIR HERBERT S. HOLT

ARTHUR B. WOOD, F.I.A., F.A.S., *Actuary*

FREDERICK G. COPE, *Secretary* E. A. MACNUT, *Treasurer*,

JAMES C. TORY, *General Manager of Agencies*

H. WARREN K. HALE, *Comptroller* J. A. EWING, K.C., *Legal Adviser*

W. F. HAMILTON, M.D., *Consulting Medical Referee*

A. B. COLVILLE, K.C., *Counsel* C. C. BIRCHARD, M.B., *Cheif Medcial Officer*

GENERAL STATEMENT

ASSETS

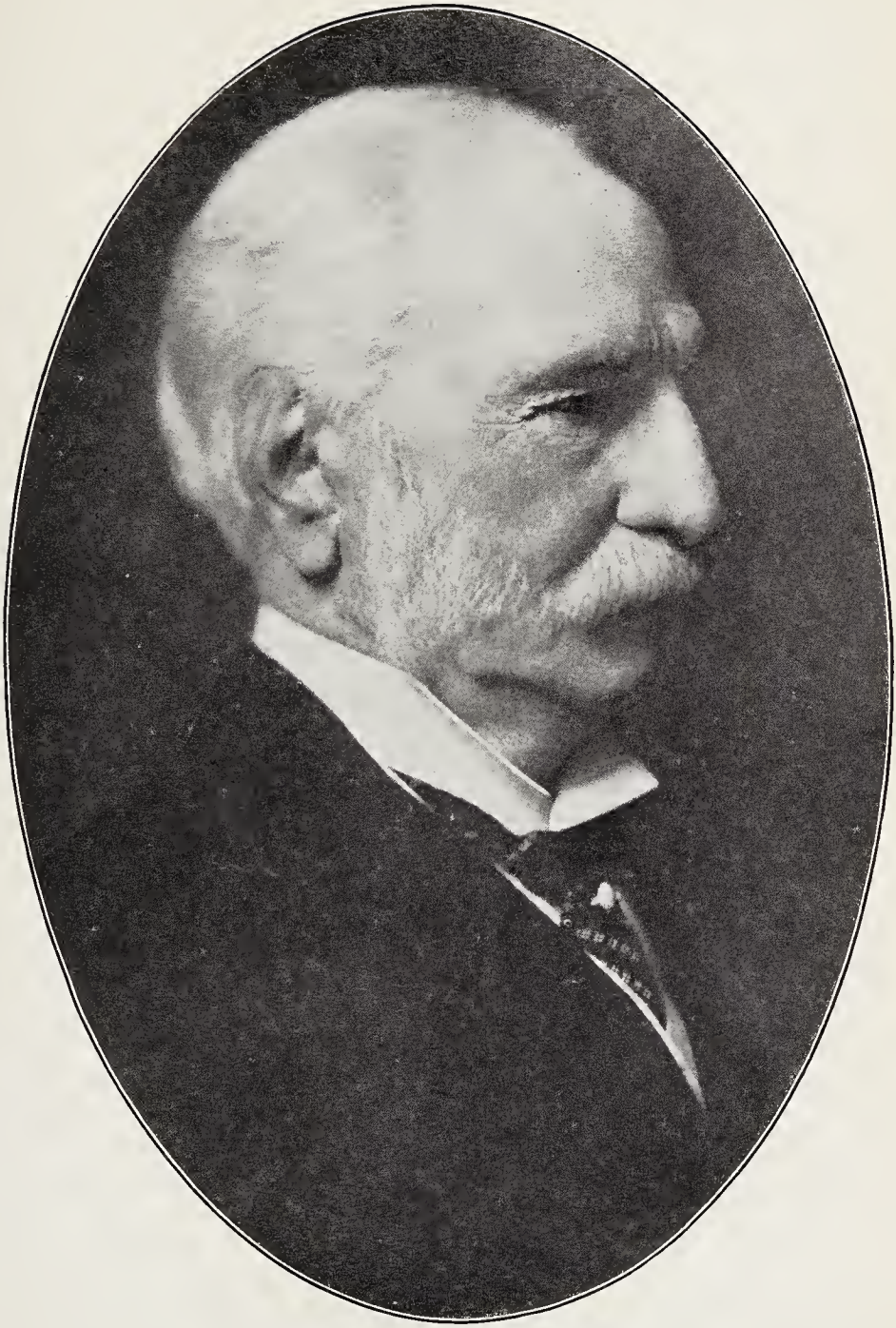
(The market values given are those fixed by the Dominion Insurance Dept.).

BONDS—Government, Municipal, Railway, Gas, Electric and other bonds:,		
Par Value	$86,039,655.59	
Ledger Value	76,015,938.62	
Market Value	75,648,137.04	
Carried out at Market Value		$75,648,137.04
STOCKS—Preferred and Guaranteed Stocks:		
Par Value	$16,125,200.00	
Ledger Value	13,974,228.66	
Market Value	12,444,032.00	
Carried out at Market Value	12,444,032.00	
OTHER STOCKS;		
Par Value	$4,143,100.00	
Ledger Value	4,441,978.13	
Market Value	4,872,427.25	
Carried out at Market Value		$4,872,427.25
Loans on Real Estate, first mortgage		8,073,528.56
Real Estate, including Company's buildings		5,676,551.52
Loans on Company's policies (secured by reserve on same)		16,567,115.10
Loans on bonds and stocks		1,815.98
Cash in banks and on hand		1,250,722.13
Due from other Companies on re-insured for contracts death claims paid		5,600.00
Re-assurance Reserves on deposit with Ceding Company		294,668.12
Outstanding premiums (net)	$2,448,449.56	
Deferred premiums (net)	696,297.67	
		3,144,747.23
Interest due		170,537.67
Interest accrued		1,208,442.52
Rents due and accrued		13,802.21
Net Assets		$129,372,127.33

LIABILITIES

Reserve on Life policies according to the British Offices Om.5. Table with 3½% interest on policies issued prior to December 31st, 1902, and 3 % on policies issued since that date	$97,510,558.25	
Reserves on Annuities according to the British Offices Select Annuity Tables with 3½% interest	16,056,549.80	
	113,567,108.05	
Less Reserves on policies re-assured	227,040.50	
		$113,340,067.55
Death Claims reported but not proved, or awaiting discharge		1,057,461.64
Extra Reserve for unreported death claims		325,000.00
Present value of Death Claims payable by instalments		707,237.53
Matured Endowments awaiting discharge		196,216.50
Annuity Claims awaiting discharge		99,493.86
Claims on Supplementary Contracts, etc., awaiting discharge		1,134.90
Dividends to policy holders awaiting discharge		197,348.75
Profits allotted to Deferred Dividends Policies, issued on or after Jan. 1st, 1911		163,475.77
Profits payable during first three months of 1922		502,161.91
Accumulated Credits on compound interest policies, etc		111,109.52
Premiums paid in advance		163,747.65
Sinking Fund deposited for maturing debentures, etc		102,365.81
Commissions, medical fees, taxes, etc., due or accrued		498,466.03
Reserve for Contingencies		600,000.00
Shareholders' account, including dividends due 1st January, 1922		72,930.81
Total Liabilities		$118,138,218.23
Surplus to policyholders by the Company's standards as above		11,233,909.10
Capital subscribed, $2,000,000; paid-up	$ 850,000.00	
Net Surplus over all Liabilities and capital stock	10,383,909.10	
Surplus over all Liabilities, except capital stock	$11,233,909.10	
		$129,372,127.33

The net surplus over all liabilities and capital stock according to the Dominion Governmen t Standard is $11,493,987.60.



The Late John Woodburn Langmuir
General Manager of the Toronto General Trusts Corporation, 1882-1915, and Vice-President of the Company.

A LEADING CANADIAN INSTITUTION

40th ANNIVERSARY ADDRESSES AND REPORTS OF THE TORONTO GENERAL TRUSTS CORPORATION

The 40th Annual General Meeting of the Shareholders of The Toronto General Trusts Corporation was held in Toronto, on the 1st day of Feb., 1922. The President, Hon. Featherston Osler, K.C., D.C.L., took the chair, and Mr. W. G. Watson, Assistant General Manager, acted as Secretary of the meeting. Mr. A. D. Langmuir, General Manager, submitted the Financial Statements, for the year ended 31st December, 1921.

Address by the Hon. Featherston Osler, K.C., D.C.L., President of the Corporation.

The 40th Annual Report of the Board of Directors is one which has probably been looked forward to by the Shareholders with hope, not untempered by anxiety; with the former because they may have reasonably felt that confidence in the administration of the affairs of the Corporation, begotten of the results of many years of prosperity; with the latter because the year through which we have just passed has been, it may be said, the commencement of a period of adjustments, or of tentative adjustments of business conditions throughout the Dominion which, in so far as they may affect this Corporation, have merited and received grave consideration.

It is therefore with no little gratification that the Directors find themselves able to present to their Shareholders a report of the satisfactory nature of the one which has just been laid before them —a report showing a substantial increase in the business of the Corporation in regard to the volume of assets under administration; an increase of nct profits; the maintenance of the usual dividend; additions to the Reserve Funds and in again carrying forward a substantial balance to the credit of Profit and Loss. The figures I will not take up time by repeating, as they are clearly set forth in the statements which have for some time been in the hands of the Shareholders, and will be elaborated and emphaszied in the remarks which you will presently hear from the General Manager. What more particularly calls for notice and for commendation to the attention of the Shareholders as indicative of the confidence of the public is the continued increase in the special business of a trust company, namely, the administrat ion of estates.

During the year we have been called upon to regret the loss of three of our valued colleagues, Senator Edwards of Ottawa; His Honor the late Lieutenant-Governor Lionel H. Clarke (whose death in the prime of life in the midst of many uscful activities, may indeed be spoken of as a public loss far outside the narrow circle of the Board), and of Dr. John Hoskin in the fullness of years and honor,

after a long life of usefulness and of prolonged service to the Corporation. Their places have been filled by the appointment of Mr. C. S. Blackwell, Chairman of the Board of Trustees of the Toronto General Hospital; Mr. Wilmot L. Matthews, and of the General Manager, Mr. A. D. Langmuir, whose valued services as head of the staff for many years, calls as in the case of his father, the late Mr. J. W. Langmuir, our first General Manager, for this recognition.

During the year many circumstances pointed to the advisability of obtaining increased accommodation for carrying on the work of the Corporation in Winnipeg and Vancouver. The Directors took advantage of the opportunity of obtaining satisfactory office buildings in these cities and negotiations for purchase of such premises were entered into, and, subject to your approval, carried out. You will be asked to pass the necessary By-Laws confirming the action of the Directors in this respect. As appears from the statement in your hands a considerable part of the sum voted by the Shareholders at the last Annual Meeting for application in the discretion of your Directors towards charitable purposes, has been thus expended. The Shareholders will, I hope, feel that at this time reasonable calls of this nature should be responded to by this Corporation as they are by others, and a Resolution or By-Law fixing such sums as you may think proper for this purpose will be submitted to you.

The call of the Great War upon the young manhood of the country was, as you are aware, nobly responded to by our own staff. Some of these returned no more and remain forever in the foreign countries where they fell. It has been thought right and fitting that they should be commemorated on the walls of this Institution by a Memorial Tablet, which will be unveiled at the conclusion of this meeting when a few appropriate words will be spoken by Captain Rev. J. B. Paulin, M.C., of the 86th Battalion, Hamilton, attached to the 9th Brigade, C.E.F., France.

Address by A. D. Langmuir, Director and General Manager of the Corporation.

As this Corporation has now completed the 40th year of its existence, a short resume of its past history may be of interest. The Toronto General Trusts Company, the original title of the present Corporation, was incorporated under a special Charter granted in 1872—just fifty years after the first trust company was established in the United States—The Farmers' Loan and Trusts Company. It was not, however, until 1882—ten years later—that the Company was formally organized and entered upon the active exercise of the functions of a fiduciary in its many varying forms. The Hon. Edward Blake was elected President; Mr. Edmund A. Meredith, Vice-President, and Mr. J. W. Langmuir was appointed Manager.

The Company had an authorized capital of $1,000,000 and commenced operations with a subscribed capital of $200,000, of which $28,000 was paid up. Success attended the operations of the Company from the start. The total amount of funds dealt with

during the first year, including the assets of Trust Estates and Agencies, was $740,296.75. The gross profits for the first year amounted to $8,488.72, and after deducting operating charges amounting to $7,338.16, a balance of $1,150.56 was carried forward to the credit of Profit and Loss account. The first dividend at the rate of seven per cent. was declared in 1884. In 1899 an Act was passed by the Ontario Legislature amalgamating The Toronto General Trusts Company with the Trusts Corporation of Ontario. The new company formed by the union took the name of The Toronto General Trusts Corporation, having a paid-up capital of $600,240.00.

In the year 1902 the Directors of the Corporation were led to the conclusion, in view of the increase in the population and wealth of Manitoba, that it would be well to extend the operations of the Corporation to that Province. To that end negotiations were taken up for the acquirement of the business of The Winnipeg General Trusts Company and brought to a satisfactory conclusion, and an office was opened in the City of Winnipeg under the supervision and direction of a local Advisory Board. The field of operation of this Branch was further extended in 1903 by having an Ordinance passed permitting the Corporation to carry on business in the North-west Territories, now the Province of Saskatchewan and Alberta.

Another important step was taken during that year in the Province of Ontario by the acquisition of The Ottawa Trust & Deposit Company, and the opening of a branch office of the Corporation in the City of Ottawa. The final rounding out of the Corporation's present organization was completed when a License was obtained in 1905 permitting the carrying on of business in the Province of British Columbia. In 1916 a branch office of the Corporation was opened in the City of Vancouver.

Upon the retirement of the Hon. Edward Blake from the position of President of the Corporation in 1897, he was succeeded in that office by Dr. John Hoskin, K.C., LL.D., who held the position until his resignation in 1909 on account of impaired health. Dr. Hoskin was succeeded by the Hon. Featherston Osler, K.C., D.C.L. The following synopsis in ten yearly periods of the financial progress of the Corporation since its inception will be of interest:—

Year	Capital Paid Up	Reserve Fund	Total Assets
1891	$ 128,610.91	$ 161,000	6,326,580.47
1901	1,000,000.00	270,000	20,436,156.86
1911	1,000,000.00	700,000	45,086,659.99
1921	2,000,000.00	2,500,000	120,253,443.05

With respect to the Reserve Fund of $2,500,000, in this amount is included $802,772.75 premium received in respect of issue of $1,000,000 new stock of the Corporation, and $95,618.74 surplus in connection with sale of the Corporation's old office premises situated at the Corner of Yonge and Colborne Streets, Toronto. The success which has attended the operations of the Corporations is largely attributable to the high ideals of Mr. J. W. Langmuir, the founder of the Corporation, as to the nature and sphere of operation and

policy of a trust company. Mr. Langmuir's services extended over a period of thirty-three years, during which he filled the positions of Managing Director or General Manager, and Vice-President of the Corporation. No better evidence could be obtained of the increasing confidence of the general public in the administration of estates by a corporate trustee rather than an individual than is shown in the greatly increasing volume of business entrusted to the Corporation during the past forty years, as follows:—

For Ten Years ending (March 31st), 1892	$ 9,111,896
For Ten Years ending 1901	28,098,895
For Ten Years ending 1911	43,781,191
For Ten Years ending 1921	124,203,902

Of the original eighteen Charter Directors, Mr. J. G. Scott, K.C., is the sole remaining survivor on our Board to-day, and of the office staff there are two representatives in the service of the Corporation, the present General Manager and Mr. James Davey, Manager of the Ottawa Branch office of the Corporation.

Coming now to the consideration of the year's operations just completed, you will realize with conditions such as we have been experiencing in Canada, in financial and business affairs, during the last couple of years, the responsibilities and anxieties attendant upon the exercise of a proper judgment in administering the business connected with the winding up of estates as well as the investment of their funds in satisfactory securities, has called for such expert qualifications and efficiency in detail as could only be obtained through the medium of a well organized trust company properly equipped and with capable and experienced men at the head of all departments. In this connection it has also been of paramount importance, having regard to these manifold duties, many of a very complex character, the control and liquidation of securities and assets of every conceivable description, as well as the investment of funds and distribution of the proceeds of realizations, that the system of control, supervision, checking and audit should be nearly perfect as it is humanly possible to be. I believe in the conduct of the affairs of this Corporation that your Directors have developed such a system.

Apart from the general control of the Board of Directors and Advisory Boards at the branch offices, who consider and pass upon all new business taken over by the Corporation and the investment of its funds, as well as considering all other matters of importance brought to their attention by the management, there is the Inspection Committee of the Board of Directors, who report quarterly to the Directors and annually to the Shareholders. This Committee, in the discharge of its duties, becomes cognizant of every act of the Board of Directors, as recorded in the Minute Book. It has to see every mortgage and debenture that has been acquired by order of the Board, in order that it may ascertain whether the conditions under which the same were authorized have been carried out, and finally, to see that such securities are registered or earmarked in the books of the Corporation as the property of the estate or trust to which they belong.

In addition to this supervision by the Inspection Committee, there is of course the continuous examination of securities and checking up of accounts by your Auditors appointed at the Annual Meeting of Shareholders. One might conclude that this supervision was sufficiently effective, but there is still another check upon the Corporation's management, and it is that of the Courts. Any beneficiary of an estate may at any time require the accounts of an estate in which they may be interested to be brought into Court, and there audited by the Judge or Court officer. I am sure a knowledge of this information cannot but give the fullest confidence, not only to Shareholders, but also to the public who are so increasingly entrusting the management of their affairs to this Corporation, that their interests are being most thoroughly and properly safeguarded.

Although we have been working under very abnormal conditions during the past year, more so than at any time in the experience of the Corporation, you will be pleased to observe, notwithstanding the large amounts that are distributed annually in closing out Estates, Trusts and Agencies, that our assets have been increased during the year by $6,491,118.87, and now stand at $120,253,443.05. The business entrusted to the Corporation has been well attended to in all departments, and it is with no little satisfaction that the management are able to record this fact. It would hardly have been possible to have realized such satisfactory results had we not been able to consult weeky a Board of Directors whose combined wisdom and experience is of invaluable assistance. The new Trusts, Estates and Agency business assumed by the Corporation during the year amounted to the sum of $17,897,328.53, being somewhat less than in 1920, but nevertheless a very handsome volume.

The Corporation's investment in office premises remains practically the same as previously recorded. In this connection, however, I should inform you that your Directors, after most careful consideration, and looking to the future extension and requirements of our Western business, decided that we should purchase suitable office premises for ourselves in the City of Winnipeg. We have now completed arrangements with the Bank of Nova Scotia for the acquirement of the property at one time occupied by the Bank of Ottawa, on the east side of Main Street, close to the corner of Portage Avenue. The site is an excellent one, and the building is suitable in every way for the purposes of the Corporation. You will therefore be asked, in order to comply with the requirements of The Loan and Trust Companies' Act, to pass a By-Law approving and confirming this tranasction, as well as the purchase made in 1920 of office premises for our Vancouver Branch.

The other item of real estate in our Balance Sheet is that amounting to $100,390.52, representing properties which have come into the possession of the Corporation through foreclosure or Power of Sale proceedings. We believe that our Book claim is fully secured, full provision for any anticipated loss having been amply provided for. The new issue of Capital Stock in 1920 has been fully

paid, and our Capital now stands at $2,000,000 and the Reserve Fund amounts to $2,500,000.

Respecting the Guaranteed Trusts account shown in the Assets and Liabilities statement, this is a very important part of our business; it represents moneys received by the Corporation from Investors, for which we undertake to guarantee the payment of interest thereon at a fixed rate as well as the return of the principal at the end of the period of investment contracted for. The moneys are invested in first mortgages, or in other Trustee securities. These securities are earmarked in the books of the Corporation as the property of the Investor, so that parties entrusting their funds to the Corporation for investment on this account, have not only the investments as security, but also the guarantee of the Corporation in addition. It is an investment of the highest order and absolutely safe. It is accepted under the Trustee Act as a proper security for the investment of Trust funds.

For several years past the very high rates of interest obtainable on Government, Provincial and high-grade Municipal Bonds or Debentures have made it difficult for Trust Companies to procure any considerable volume of guaranteed funds, or for Loan Companies to market their debentures. This situation, however, has been changing during the past few months, and particularly since the 1st of January, owing to the continuous rise in prices of Government bonds and Municipal securities, so that we are now in a position to offer a more favorable rate for guaranteed funds than can be had through the purchase of securities such as I have indicated. We are therefore hopeful of being able to show a considerable expansion this year in the funds held on Guaranteed Trusts account.

Regarding the profits realized from the year's operation, I feel sure the results obtained will be found satisfactory. You will observe that we show in our statement of Profit and Loss not only the gross profits but also the cost of management as well. I do not know that there is any particular advantage or satisfaction to the Shareholders or the public in giving this information except that it is an indication that the gross profits of the Corporation, having regard to the character of business under its control and management, are very moderate when compared with the results derived by other financial institutions with a similar volume of business.

As a general rule the investments made by the Corporation are confined to investments coming within the terms of the Trustee Act, namely—Dominion and Provincial Government securities, Municipal debentures and first mortgages on real estate.

There are exceptions, of course, when the Will or Trust document under which we receive our authority provided for investments being made in securities outside the restrictions of this Act or provides for the retention of investments made by the Testator. In such cases we must exercise a most careful supervision. Generally speaking, however, we are confined to Trustee Investments. Consequently we have invested in first mortgages to the extent of

$23,107,346.84, and in Government and Municipal debentures $16,602,777.54, or a total of $39,710,124.38. I am pleased to inform you that we have no arrears of interest whatever in respect of any of our debenture investments, and with regard to the mortgage investments located in Ontario, amounting to over $16,000,000, we have up to the present time collected 99·37 per cent. of the total interest carried forward from 1920 and charged during 1921. Of the remaining mortgage investments of over $7,100,000 secured on Northwest city and farm properties, less than $100,000 of interest is over twelve months in arrears, and the fullest provision for any loss that might be incurred has been provided for.

The past year has been a very unsatisfactory one for the farmer in the West. It seemed as if everything had combined to his disadvantage. In the first place, the season was a dry one, with excessive heat and absence of rain in many parts of the country; this was followed by rust and grasshoppers, particularly in the Southern districts. Previous to the harvest, however, conditions were not absolutely bad. While the crop was very small in many districts, it was thought that even in the worst districts it would not be a complete failure. Those farmers who were able to thresh very early did not do so badly on the whole, that is if they sold their grain at once. Unfortunately, the great majority of them were not able to get threshed early, and almost immediately after the grain was cut the weather broke; rains were frequent and heavy, so much so that before the grain could be threshed, in the majority of cases it was badly spoiled, reducing the grade very seriously; then on top of all this came the slump in prices. The consequence is that collections on account of this year's interest are considerably below our usual experience, and we will be required to carry over quite a number of our farmer borrowers.

The average rate of interest derived from mortgages situate in Ontario is 6·73%, as compared with 6·52% in 1920, and 6·42% in 1919. From mortgages taken in the Northwest Provinces the average interest return is 7·73%.

Before closing I would like to make one or two remarks incidental to the administration of Estates and Trusts. A Trust Company, from the very nature of its office, meets with many problems in the exercise of its duties. Its responsibilities are two-fold; to the Testator who has imposed upon it a solemn trust to see that his purposes as expressed in his Will, are faithfully executed; to the beneficiaries of his estate to see that their interests are safeguarded.

Beneficiaries may sometimes feel inclined to criticize the policy of a Trust Company in the administration of an estate, especially with regard to the payment over of Trust funds, but the circumstances are often such that owing to the nature of the assets or the terms of the Will under which the estate has to be administered, a Trust Company is not always in a position to pay over moneys to beneficiaries. No Trust Company, and certainly not this Corporation will withhold payment of one dollar of Estate funds to which

any beneficiary may be entitled any longer than it is necessary to do so, having regard to the other claims against the estate and the amount of funds available.

In all matters arising out of the management of estates, the interests of the beneficiaries are treated by this Corporation as matters of first importance. The amount of our Capital funds which have been advanced to estates to protect these interests is conclusive enough evidence that such is our policy. We aim to administer estates with fairness, impartiality and with promptness, and the extent of our business to-day is sufficient proof that our efforts have been fully appreciated. In conclusion, I desire to express my appreciation of the work done by the officers and staff of the Corporation at its Head Office and Branches during the past year, and for the efficient manner in which they have discharged their duties.

Remarks by Major-General Sir John Gibson, K.C.M.G., Vice-President of the Corporation.

In rising to second the motion for the adoption of the Report, I may say I did not intend to make a speech. It is quite unnecessary to do so in view of the very satisfactory reports which have been submitted to you and the able manner in which these reports have been discussed by the President and General Manager. The only thing that occurs to me to say is that we are interested here in a thoroughly genuine and legitimate trust company. There are trust companies and trust companies, and some are called trust companies with a motive of using a name that will attract business, while business is carried on which does not come strictly within the law or intention of the law relating to "Trust Companies."

This leads me to think back a number of years when I was a junior member of the Government of which Sir Oliver Mowat was Premier, being Provincial Secretary of that Government when this Company was about the only trust company in the country. Sir Oliver was often accused of being very conservative in many ways. He was strongly impressed with the advisability of not allowing trust companies to grow up like mushrooms all over the Province, and only allowing them to increase in number as the growth in wealth and the development of the Province warranted.

Now the object I had in making these remarks at all was to call your attention to the fact that this, is and always has been, an absolutely genuine trust company. I have not seen, since I have been connected with it, the first trace or indication of anything of a suspicious nature, savouring of speculation or an effort to make money by special means. The fact that this Corporation's business is so genuinely that of a trust company is becoming well known throughout the country, and this accounts for the ever-increasing—rapidly increasing—numbers of those who are naming it to administer their estates. The confidence of the community, step by step, has been growing as rapidly as its business and as the character of its business become known.

ELECTION OF OFFICERS.

The following Shareholders were appointed Directors for the ensuing year:—Hon. Featherston Osler, K.C., D.C.L.; Hamilton Cassels, K.C., LL.D.; Major-Gen. Sir John M. Gibson, K.C.M.G., K.C., LL.D.; Wellington Francis, K.C.; Hon. A. C. Hardy, Lieut.-Col. R. W. Leonard, J. Bruce Macdonald, Hon. Sir Daniel H. McMillan, K.C.M.G.; Lieut.-Col. John F. Michie, J. G. Scott, K.C.; Sir Edmund B. Osler, Sir Edmund Walker, C.V.O., LL.D., D.C.L.; E. C. Whitney, E. T. Malone, K.C.; H. H. Williams, Robert Hobson, Thomas Bradshaw, F.I.A.; C. S. Blackwell, W. L. Matthews, A. D. Langmuir. At a subsequent meeting of the Directors the following officers were elected:—President, Hon. Featherston Osler, K.C., D.C.L.; President and Vice-Presidents, Hamilton Cassels, K.C., LL.D.; Major-Gen. Sir John M. Gibson, K.C.M.G., K.C., LL.D.

The Inspection Committee was re-elected, namely:— Hamilton Cassels, K.C., LL.D., Chairman; Major-Gen. Sir John M. Gibson, K.C.M.G., K.C., LL.D., and Wellington Francis, K.C.; the following members were elected to the Advisory Boards at Ottawa, Winnipeg and Vancouver:

Ottawa—W. D. Hogg, K.C., Chairman; Sir George Burn, Nelson D. Porter, Alexander Maclaren and C. Jackson Booth.

Winnipeg—Hon. Sir Daniel H. McMillan, K.C.M.G., Chairman; H. H. Smith, W. H. Cross, Frederick T. Griffin and Frank L. Patton.

Vancouver—A. H. Macneill, K.C., Chairman; Eric W. Hamber, F. B. Pemberton and R. P. Butchart.

UNVEILING OF MEMORIAL TABLET.

At the close of the meeting, the Shareholders present, the Officers and Staff of the Corporation, and a number of friends adjourned to the main floor of the Head Office, where an impressive ceremony took place in the unveiling of a bronze tablet to the memory of the members of the staff who fell in the Great War. Prior to the unveiling of the tablet, Hon. Featherston Osler, K.C., D.C.L., the President delivered a brief address, in which he said:—

"In the Board Room upstairs is a tablet which has been there for some time. It commemorates the names of our staff here, in Ottawa, and at Winnipeg, who answered the call of duty and went overseas to the War. Some of these never returned, and to them the Corporation thinks it is right and fitting that a special memorial tablet should be erected.

We think for a moment of the lives of these lads—for some of them were little more than of service age. We think of them in the narrow circle of homes and schools, and gradually passing into the wider one of professional and business life, looking forward to a happy manhood passed in their native land and perhaps to a serene old age, and then suddenly snatched into the vortex of the Great World War. They are mourned. They always will be mourned, but mourned with this feeling, that their lives have not been given in vain. They were a unit in the armies of France, England and Italy.

I put France first advisedly, for France bore the brunt of the terrible fighting, of these years. The ashes of most of them lie in a foreign land, each forming a little spot of its native soil. We dedicate then memorial to their memory."

The President then called on the Rev. Captain J. B. Paulin, M.C., who, in conclusion of an eloquent tribute to the men who had fallen, said:—"We dedicate this memorial tablet with grateful, proud memory to the men who went from this place and have not returned; who gave up their lives for the good of the world; who gave up their future that we might have ours." This address was followed with a dedicatory prayer, after which the President unveiled the tablet. The ceremony was followed by a minute of solemn stillness, and the proceedings terminated with the singing of the National Anthem.

THE TORONTO GENERAL TRUST CORPORATION

STATEMENT FOR THE YEAR OF 31st DECEMBER, 1921

ASSETS

CAPITAL ACCOUNT:			
Office Premises and Safe Deposit Vaults at Toronto, Ottawa and Vancouver		$825,000.00	
Rents		6,265.67	
Deposit paid on account of purchase of new Office Premises at Winnipeg, of which possession will be had in 1922		1,000.00	
Real Estate held for sale		100,390.52	
MORTGAGES:			
Principal	$2,490,097.75		
Interest due and accrued	102,609.42		
		$ 2,592,707.17	
Loans on Stocks and Bonds		7,547.20	
Dominion of Canada and Provinces of Canada Securities		555,732.07	
Canadian Municipalities' Debentures		93,290.76	
Other Bonds or Debentures		47,244.55	
Loans or Advances to Trust Estates and Guaranteed Mortgage Accounts under administration by the Corporation		554,125.00	
Cash in Chartered Banks		131,298.78	
Cash on hand		275.00	
Other Assets		481.07	
			$4,915,357.79
GUARANTEED TRUSTS ACCOUNT:			
MORTGAGES:			
Principal	$6,603,239.25		
Interest due and accrued	365,185.56		
		$6,968,424.81	
Canadian Municipalities' Debentures		700,192.36	
Cash in Chartered Banks		72,722.03	
			$7,741,339.20
ESTATES, TRUSTS AND AGENCIES ACCOUNT:			
Mortgages on Real Estate		$14,147,837.61	
Government and Municipal Debentures		15,212,552.75	
Stocks and Bonds		1,352,645.38	
Loans on Debentures, Stocks and Bonds		1,321,264.68	
Sundry Assets		5,682.79	
Cash on hand and in Chartered Banks		1,561,388.15	
		$33,601,371.36	
Original Assets, including Real Estate, Mortgages, Debentures, Stocks and Bonds at inventory value		73,995,374.70	
			107,596,746.06
			$120,253,443.05

LIABILITIES

CAPITAL ACCOUNTS:			
Capital Stock subscribed and fully paid	$2,000,000.00		
Reserve Fund	2,500,000.00		
		$ 4,500,000.00	
Contingent Reserve Fund		50,000.00	
Dividend No. 102, due January 2nd, 1922		59,997.73	
Appropriation for Federal Income Tax		29,981.61	
Amount provided towards cost of new Office premises, Winnipeg		75,000.00	
Profit and Loss		200,378.45	
			$4,915,357.79
GUARANTEED TRUSTS ACCOUNT:			
Guaranteed Trust Funds for investment		7,741,339.20	
			7,741,339.20
ESTATES, TRUSTS AND AGENCIES ACCOUNT:			
Trust Funds for Investment or Distribution		33,601,371.36	
Inventory value of Original Assets of Estates and Agencies under administration by the Corporation		73,995,374.70	
			107,596,746.06
			$120 253,443.05

SUPPLEMENT

Educational Interests of Canada

THE DEPARTMENT OF EDUCATION
OF
THE PROVINCE OF ONTARIO
1876–1922

Organized and Placed Under the Control of a Minister of the Crown by Act of Parliament in 1876.

Development of the Educational System in Ontario:

	1874	1920
Population of Ontario	1,700,000	2,900,000
Number of Schools:—		
Elementary and Secondary	4,866	7,113
Number of Pupils Enrolled	472,382	643,726
Number of Teachers	3,887	15,522
Total Expenditures	$3,151,926	$30,626,435

Distinctive Features of the Ontario System:

(1) Municipal Control, regulated by the Provincial Department but affording a large measure of local self-government.

(2) A National System permitting, however, in certain cases Separate Denominational Schools subject to uniform Standards of Efficiency with other Elementary Schools.

(3) A distinction between the scope of Primary and Secondary Schools and the Universities—sufficiently marked to avoid over-lapping and to permit of independence but all forming one complete system.

(4) Specialization in Technical and Industrial Schools established under the Ontario Industrial Education Act and maintaining 64 Day and Evening Schools with 31,823 students of whom 10,000 were born in countries other than Canada.

(5) The 5,602 Rural School Libraries and 450 Association and Free Public Libraries available for the use of the Pupils.

(6) Provisions to encourage the Physical Examination of every pupil by School Nurses and Medical Officers, and daily Physical Training under qualified Instructors with a well-organized Cadet System.

(7) The Creation and development of Spirit of a National and Empire sentiment as a basis of constructive Citizenship.

By Act of Parliament a free education in the Provincial Schools is provided for all below the age of 21 years; the compulsory attendance, in whole or for part time, of children up to the age of 18 years; the Educational Department is entrusted with the administration of the School Law. A Standard Matriculation examination is required for entry into the Universities and Professions which continue the courses of study outlined in the curricula of the Elementary and Secondary schools of the Province.



THE CANADIAN CLUB MOVEMENT.

From Annual Proceedings, Association of Canadian Clubs.

December 6th, 1922, will mark the 30th anniversary* of the projection of the Canadian Club, for it was on the evening of the sixth of December, in the year 1892, that six young men met on the invitation of Charles R. McCullough in his office in the Commercial Centre Building in Hamilton, Ontario, to consider ways and means of establishing a society that would interest young men and develop them as Canadian citizens. At this little meeting there were assembled James Ferres, Chairman; Charles R. McCullough (now Lt.-Colonel), Secretary; W. Sanford Evans, Henry Carpenter, George D. Fearman (now Lt.-Colonel) and the late John T. Hall. It was proposed by one of these gentlemen that an association be established on Mock Parliament lines; another that it conform to Debating Club rules, etc. Finally the acting Secretary suggested that the central idea of the proposed association be Love of Country and about this would gather all the other advantages, attaching to literary and debating organizations. There and then the Canadian Club had its birth.

The little band of founders immediately proceeded to draft a letter inviting their fellow-townsmen to assemble later for the purpose of discussing the matter and of furthering the project in view. By February 1st, 1893, such progress had been made that a representative gathering met in the rooms of the Hamilton Association, in the Public Library Building, when the following Resolution was introduced by Mr. McCullough, seconded by Mr. Evans, and carried with enthusiasm

"Recognizing the deep importance to Canada of the cultivation of a spirit of patriotism in the hearts of her people (and particularly of the young men upon whom will rest the duties of the future), and in view of the fact that only under the stimulus of an active patriotism has any nation become great, it is, in the opinion of this meeting, a fit and proper time to take definite steps, however humble, to deepen and widen the regard of Canadians for the land of their birth or adoption, and to increase their interest in matters affecting the welfare of their

*To be celebrated by the Association at its annual meeting in Hamilton, September 11th and 12th, 1922.

country. Be it therefore resolved that this meeting proceed to the organization of a Society to be known as The Canadian Club, having for its objects the encouragement of the study of the history, literature and resources of Canada, the recognition of native worth and talent and the fostering of a patriotic Canadian sentiment.

"Be it further resolved that the membership shall be open to all Canadians who may be in sympathy with the patriotic and educative aims of the Society, apart from any designs of political partizanship."

It was hopefully stated that such Clubs might be extended to all parts of Canada. To-day there are nearly one hundred of these "Universities of the People," as the late Rt. Hon. Lord Bryce, O.M., has termed them, in the several Provinces of the Dominion, and a score or more in the neighbouring Republic, and it is altogether probable that the Founder's wish may be realized within a few pears—that of seeing every self-governing portion of the Empire with its National Club, and, finally, of these uniting in a great Imperial Council of Clubs called together periodically to discuss questions that have not reached the contentious arena of party politics.

THE CANADIAN CLUB IDEA.

THE LATE EARY GREY, K.G., WHEN GOVERNOR-GENERAL OF CANADA.

"It (The Canadian Club) carries the badge of no party. It wears the livery of no sect. It is as free as the fresh air that comes down to us as an invigorating tonic from the slopes of the Laurentian Mountains. Its sole and only object is to promote the well-being of the Canadian nation. The fact that every week during the winter the men and women of your Canadian cities and towns are addressed by the best speaker that can be obtained who has a disinterested message to deliver, is a security, the value of which can hardly be over-estimated, guarding you against the curse of any long continuance of sectional and Provincial narrowness."

THE TORONTO GLOBE, MAY 15, 1912.

"The rapid spread of Canadian Clubs in the West is one of the most significant signs of the times. The Church, the School, and the Canadian Club each has its own place in the making of good citizens."

THE RT. HON. JAMES VISCOUNT BRYCE, O.M.
When British Ambassador at Washington. Hon. Member Canadian Club of Hamilton.

"The Canadian Clubs have struck me during the last few years as being an institution of the utmost value for Canada, tending to unite all patriotic citizens in a common sympathy and a common action for those national interests which transcend all party affiliations.

The earnest, energetic and progressive spirit with which the Canadian Clubs have worked and are preparing all over the country is the best augury for the future of Canada."

SIR J. GEORGES GARNEAU, Knt., LL.D., THEN MAYOR OF QUEBEC.

"The splendid movement and good work carried out by the Canadian Clubs individually, should find its scope very much enlarged by the unity of purpose and direction which can be more effectively brought about by federation."

THE LATE LORD STRATHCONA AND MOUNT ROYAL.

"Your Club (Canadian Club of Montreal) and the other clubs are doing a great work and you have taken a great step in joining together. It (The Association of Canadian Clubs) will give you a greater strength and power for good which I am sure you will use to the utmost, spreading the inculcation of that sentiment of patriotism which is so inherent in Canadians."

THE LATE SIR GEORGE W. ROSS, K.C.M.G., WHEN PRIME MINISTER OF ONTARIO.

"The Canadian Club is a factor that will materially assist in removing this stigma (lack of appreciation of the dignity due the name of Canada). Manly confidence in our powers is essential to our national life."

THE RT. HON. ARTHUR J. BALFOUR, O.M., M.P., K.G.,
Now Earl of Balfour. Hon. Member Canadian Club of Hamilton.

"The people of Canada and the other Overseas Dominions must have and will have their own feelings of nationality. Every Canadian ought to want to feel that Canada has got her own principles and development and future. Do not let us discourage that local patriotism. Let them cultivate their own feeling of nationality: Canada for the Canadians, Australia for the Australians, but the whole for the Empire."

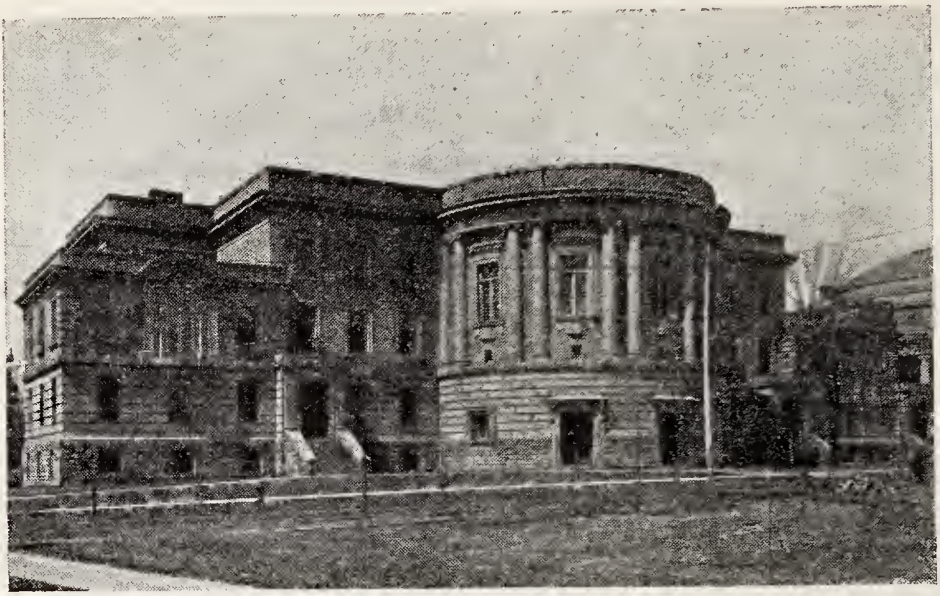
THE LATE SIR PIERRE EVARISTE LE BLANC, K.C.M.G., WHEN LIEUTENANT-GOVERNOR OF QUEBEC.

"It is my earnest hope that a Spirit of Reconciliation and Unity may henceforth animate all the peoples of our beloved country."

How to Form a Canadian Club: An interesting and instructive pamphlet on the procedure to be followed in organizing a Canadian Club (Men's or Women's) in a community will be sent to any address. Apply to:

Royal Bank, Hamilton, Ont.

ALLAN R. LANCEFIELD,
Hon. Secretary Association of Canadian Clubs.



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University of Toronto

(The Provincial University of Ontario)

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Arts Colleges:—University College, Victoria College, Trinity College, St. Michael's College.

Theological Colleges:—Knox College, Wycliffe College.

Affiliated Institutions:—Royal College of Dental Surgeons, Ontario Agricultural College, Ontario College of Education, Osgoode Hall (the Law School), Ontario Veterinary College, Ontario College of Pharmacy, Toronto Conservatory of Music, Toronto General Hospital, Royal Ontario Museum.

Thirty-seven buildings, exclusive of federated and affiliated institutions. Approximately 5,500 students apart from those in affiliated institutions. Hart House, social and athletic building for men. Residences for men and women.

For general information and copies of calendars, write the Registrar, University of Toronto, or the Secretaries of Colleges or Faculties.

St. Andrew's College

Toronto, Canada

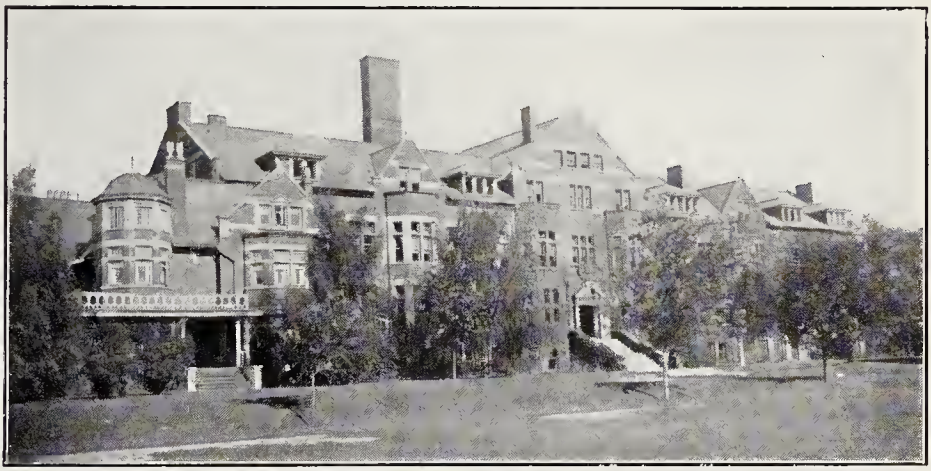
A CANADIAN SCHOOL

for

Upper School
Lower School

BOYS

Boarders
Day Boys



Situation—In North Rosedale, an attractive suburb of Toronto. In close touch with the unusual educational facilities of Canada's Educational Centre.

Organization—The College is maintained as an Educational Trust under a strong Board of Governors. It is not conducted for profit.

Object—The moral, mental and physical development of the boys entrusted to the care of the College.

Scope of Work—Boys prepared for the Universities, the Royal Military College, or Business. Boys admitted to the Lower School from the age of eight years and up. Lower School boys enter Upper School without a break in the continuity of their school life.

Staff—Seventeen University Graduates and Specialists in addition to the Headmaster.

Headmaster—Rev. D. Bruce Macdonald, M.A., LL.D.

Calendar sent on application.

UNIVERSITY OF SASKATCHEWAN

Chancellor - - SIR FREDERICK HAULTAIN
President - - WALTER C. MURRAY, LL.D.

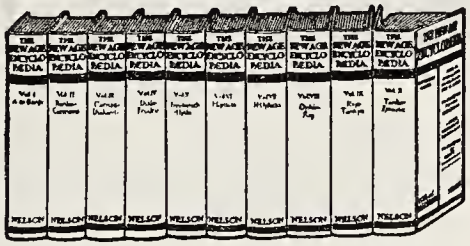
THIS University, founded in 1907, supported and controlled by the Province, was the first in Canada to make provision on the same campus for instruction in Agriculture as well as in Arts and Science, and the usual professional subjects.

The University offers courses in Arts, Science, Agriculture, Law, Engineering, Pharmacy and Accounting, and prepares students for advanced standing in Medicine and Dentistry. University Scholarships equivalent to free tuition are open to qualified students.

For fuller information, apply to
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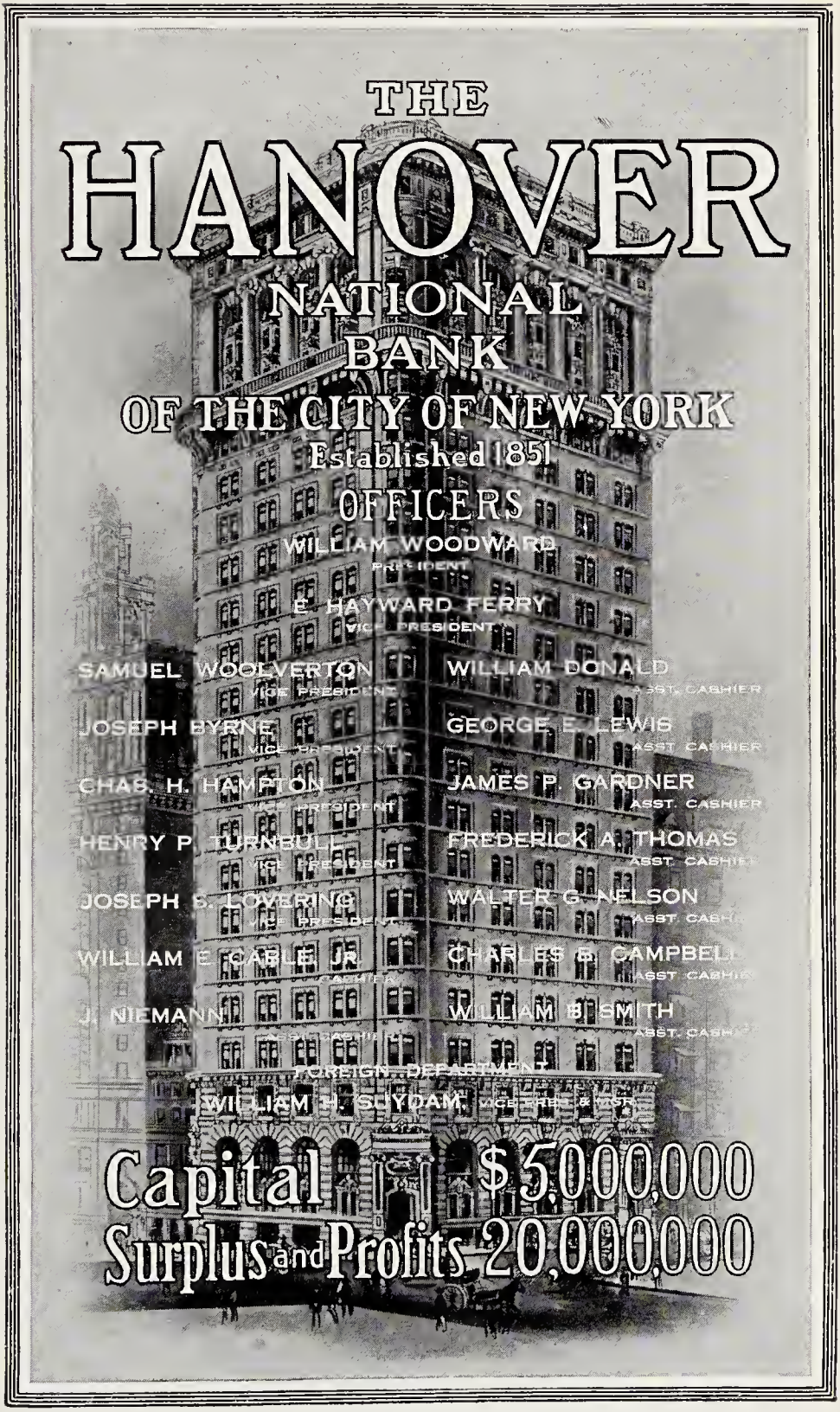
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